

# **OPEN MEETING**



Arizona Corporation Commission DOCKETED

SEP 1 2 2008

#### MEMORANDUM RECEIVED

TO:

THE COMMISSION

7088 SEP 12 P 4: 4:

FROM:

**Utilities Division** 

AZ CORP COMMISS II

DOCKETED BY

DATE:

September 12, 2008

RE:

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, APPLICATION FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES FOR CHARGES THEREON FOR UTILITY SERVICE BY ITS PARADISE VALLEY DISTRICT (DOCKET NO. W-01303 (A-05-0405), AND IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY FOR APPROVAL OF AN AGREEMENT WITH THE PARADISE VALLEY COUNTRY CLUB (DOCKET NO. W-01303A-05-0910)

#### I. Introduction

Pursuant to Decision No. 68858, Arizona-American Water Company ("Company", "Applicant" or "AAW") filed an application on May 15, 2007, with the Arizona Corporation Commission ("Commission") requesting authorization to implement Step Two of its Arsenic Cost Recovery Mechanism ("ACRM").

The monthly arsenic surcharge per customer was established to aid the Company in its efforts to comply with the United States Environmental Protection Agency's ("EPA") new arsenic maximum contaminant level of 10 particles per billion ("ppb") which went into effect on January 23, 2006. The EPA reduced the drinking water standard for arsenic from 50 ppb to 10 ppb effective January 23, 2006.

Pursuant to Decision No. 68858, Arizona American Water Company filed the required schedules for Commission approval prior to the implementation of the ACRM.

# II. Background

In June 2005, AAW filed an application for rate increases for its Paradise Valley system and for approval of an agreement with the Paradise Valley Country Club. In this application, the Company sought and was granted authority to implement an Arsenic Cost Recovery Mechanism ("ACRM").

On July 28, 2006, the Commission issued Decision No. 68858 granting AAW the authority to implement an ACRM. The Decision also required AAW to file certain schedules to

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support its ACRM charges and that AAW file a full rate application no later than September 30, 2008.<sup>1</sup>

On December 19, 2006, AAW filed an application to implement Step-One of its ACRM. On February 14, 2007, AAW filed a revised application for its Step-One surcharge. On March 22, 2007, the Commission issued Decision No. 69396 granting AAW the authority to implement Step-One of its ACRM.

The Step-One surcharge added \$14.84 to the monthly customer charge for a customer with a 5/8-inch meter and \$.4534 per 1,000 gallons to the commodity rate. The Step-One surcharge increased the average residential customer bill by approximately \$34.11 from \$74.88 to \$108.98 (45.6 percent). These monthly billing amounts include the PS surcharge authorized in Decision No. 68858.

On March 13, 2008, AAW filed an application to implement Step-Two of its ACRM. This application seeks to recover eligible arsenic related O&M costs and additional arsenic related plant in service not being recovered in the existing Step-One surcharge.

On August 27, 2008, the Commission amended Decision No. 68858 to reduce the High Block Usage surcharge from \$2.15 per thousand gallons to \$1.00 per thousand gallons and to reset the Public Safety Fire Flow surcharge from \$1.00 per thousand gallons to zero, effective on September 1, 2008. Since these surcharges are recorded as Contributions In Aid of Construction, their reductions have an impact on customer bills but do not affect revenues to the Company.

# III. Company's Current Application

In its present application, AAW requests a Step-Two ACRM surcharge which would add \$2.41 to the monthly customer charge for a 5/8-inch meter and \$0.0747 per 1,000 gallons to the commodity rate for all of its Paradise Valley customers. Of the \$2.41 to be added to the monthly customer charge, \$2.02 per month is to fund the additional arsenic related plant since the implementation of the Step-One ACRM and \$0.39 per month is to fund the recovery of deferred, arsenic related O&M expenses incurred for 12 months beginning with the operation of the arsenic remediation. Of the \$.0747 per 1,000 gallons to be added to the commodity rate, \$.0625 per thousand gallons is to fund the additional arsenic related plant since the implementation of the Step-One ACRM and \$0.0121 per thousand gallons is to fund the recovery of deferred, arsenic related O&M expenses incurred for 12 months beginning with the operation of the arsenic remediation.

Under the Company's proposal, the average residential customer bill (with usage of 42,500 gallons) would increase by approximately \$5.60 from \$108.98 to \$114.58 (5.1 percent). Adding the Step-Two amounts to the Step-One amounts approved by Decision No. 69396 means

<sup>&</sup>lt;sup>1</sup> On May 1, 2008, the Company filed a rate application for 10 of its systems including Paradise Valley, using a test year ending December 31, 2007.

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that total ACRM surcharge will add \$17.25 to the monthly customer charge for a 5/8-inch meter and \$.5280 per 1,000 gallons to the commodity rate for all of its Paradise Valley customers.

If this application is approved, it will include recovery of deferred O&M expenses which will cease after the 12 month recovery period. At the end of the 12 month period, the average monthly bill will decrease by \$.90 from \$114.58 to \$113.68 (0.8 percent) related to decreases of \$.39 per month for a 5/8-inch meter and \$.0121 per thousand gallons related to the recovery of deferred O&M expenses.

# IV. Authorization for an Arsenic Cost Recovery Mechanism (Decision Nos. 68858 and 69396)

Decision No. 68858 conditioned approval of an ACRM surcharge on the following criteria:

- 1. AAW shall file certain schedules described below and show the actual cost of construction of arsenic related facilities. In addition, the projected rate of return with the ACRM may not exceed authorized levels. Such schedules include an earnings test in support of the ACRM.
- 2. AAW shall also file, by July 1 of each year in which it collects surcharges, a report with Docket Control showing the Company's capital structure as of each month end in the prior calendar year.
- 3. AAW shall file a full rate application no later than September 30, 2008.
- 4. AAW shall apply all ACRM surcharges on a volumetric basis and equally to all usage tiers.

Decision No. 69396 granted approval of Step-One of the ACRM surcharge that was provided for in Decision No. 68858 as discussed above. While Decision No. 69396 approved the Step-One surcharge, it did not add any additional conditions that were not specified in Decision No. 68858.

## V. Staff's Analysis

#### A. ACRM Schedules

The Company's ACRM Step-Two filing includes the following schedules:

- 1. Balance Sheet as of December 31, 2007.
- 2. Income Statement period ending December 31, 2007.

- 3. Income Statement Adjustments (Earnings Test) to conform to Decision No. 68858.
- 4. Rate Review a rate review filing for the districts.
- 5. Arsenic Revenue Requirement an arsenic revenue requirement calculation for Step-Two.
- 6. Surcharge Calculation a detailed surcharge calculation for the district.
- 7. Rate Base a schedule showing the elements and the calculation of the rate base, including the deduction for Arsenic Impact Fee Contributions as of December 31, 2007.
- 8. Construction Work In Progress ("CWIP") Ledger a ledger showing the construction work in progress account.
- 9. Four Factor Allocation a schedule showing the allocation factors to be used for expense allocation. The "four factors" include ratios of each system's Plant in Service, General Metered Customers, Salaries and Wages, and Direct O&M, excluding labor, as they relate to the total for all systems. A schedule showing the allocation of common plant and based on the relative customer counts is also included in the application.
- 10. Typical Bill Analysis ACRM Step 2 A typical bill analysis showing the effects on residential customers at the average residential usage of at 42,500 gallons for Paradise Valley customers.

The above schedules provide for the calculation of a surcharge based on financial records and an Earnings Test Schedule to limit the ACRM Step-Two revenue to an amount that would not result in a rate of return exceeding the rate authorized in Decision No. 68858.

# B. Filing Requirements Compliance

Staff does not note any deficiencies related to the Company's ACRM filing.

# C. Staff's Adjustments to Company Schedules

Staff recommends adjustments to the Company's schedules to remove some O&M amounts that were included in ACRM plant, to re-classify some plant items and to apply depreciation rates that are more accurate, and to adjust accumulated depreciation to reflect the depreciation expense approved in the Step-One ACRM surcharge in Decision No. 69396. These adjustments are shown on the attached schedules GWB-2 and GWB-3 and have the net effect of reducing revenue requirements by \$11,729 from the Company's

proposed amount of \$384,217 to \$372,488. The adjustments to ACRM plant are discussed further in the attached Engineering Report.

Staff recommended adjustments on Schedules GWB-2 and GWB-3 would reduce the revenue requirement by \$11,729. The calculation of surcharges using Staff's recommended revenue requirements is shown on GWB-4.

Using Staff's recommended revenue requirement, the average residential customer bill would increase by approximately \$5.44 from \$108.98 to \$114.42 (5.0 percent). Supplanting the previously approved Step-One amounts of \$14.84 per month for a 5/8-inch meter and \$0.4534 per thousand gallons, the Step-Two surcharge would be \$17.19 per month for a 5/8 inch meter and \$0.5140 per thousand gallons.

This 5.0 percent increase would be in addition to the effect of previously approved Step-One surcharge which increased the average residential bill by \$34.11 from \$74.88 to \$108.98 (45.6 percent). The total cumulative effect of Step-Two on the average residential bill is an increase of \$39.54 from \$74.88 to \$114.42 (52.8 percent).

If this application is approved using Staff's recommended rates, it will include recovery of deferred O&M expenses which will cease after the 12 month recovery period. At the end of the 12 month period, the average monthly bill would then decrease by \$.90 from \$114.42 to \$113.52 (0.8 percent) which effects decreases of \$.39 per month for a 5/8-inch meter and \$.0121 per thousand gallons related to the recovery of deferred O&M expenses.

Staff also has concerns with the Company's presentation and description of the underlying surcharges and the deferred O&M expenses. In its filings, the Company continues to describe the surcharges previously authorized as a Step-One surcharge augmented by a Step-Two surcharge² when, in fact, Step-One surcharges are supplanted by and absorbed into the Step-Two surcharge. Staff recommends clarification to indicate that previously approved Step-One amounts are being supplanted by and absorbed into the Step-Two surcharge amounts and that only this surcharge will continue until the Company's next rate case.

As is also indicated on Schedule GWB-1, Staff recommends approval of a single permanent Step-Two ACRM surcharge that supplants and absorbs the previously approved Step-One ACRM surcharge and adds the costs for net incremental plant added subsequent to the Step-One filing and on-going, recoverable, and arsenic related O&M expenses to remain in effect until the effective date of new rates established in the pending rate case.

<sup>&</sup>lt;sup>2</sup> See Company filing of March 13, 2008, Schedule ACRM-5, Rows 22-28.

Finally, Staff notes that the Company did not include invoices in an amount to provide complete support of the amount of O&M being requested. However, discussion with Company personnel indicated that the amount requested reflects issuances as opposed to purchases during the time period, and the Company has provided Staff with adequate documentation to support issuances which, in turn, support the amount requested.

#### VI. Conclusions and Recommendations

The Company's application contains filed schedules that conform to the requirements of Decision No. 68858. Staff concludes that the ACRM schedules provide for the calculation of a surcharge based on financial records and an Earnings Test Schedule that limit the ACRM surcharge revenue to an amount that would not result in a rate of return exceeding that authorized in Decision No. 68858.

Staff concludes that the Company has adequately supported the amounts requested for recovery of its O&M expenses, but Staff has made adjustments to Step-Two of the Company's ACRM plant based on Staff's engineering review. Staff has made adjustments and reclassification to the Company's ACRM plant. Thus, the incremental Step-Two plant and associated rate base has been reduced, and depreciation expense has been adjusted accordingly, as shown on Schedules GWB-2 and GWB-3. Staff further concludes that neither Decision No. 68858 nor Decision No. 69396 prohibits the recognition of additional arsenic related plant subsequent to the implementation of Step-One, as argued by the Residential Utility Consumers Office ("RUCO").

Staff recommends approval of the rates as shown on Schedule GWB-1, to be adjusted for the Commission's amendment to Decision No. 68858 on August 27, 2008 to reduce the High Block Usage surcharge from \$2.15 per thousand gallons to \$1.00 per thousand gallons and to reset the Public Safety surcharge from \$1.00 per thousand gallons to zero. As is also indicated on Schedule GWB-1, Staff recommends approval of a single permanent Step-Two ACRM surcharge that supplants and absorbs the previously approved Step-One ACRM surcharge and which adds the costs for net incremental plant added subsequent to the Step-One filing and ongoing, recoverable, and arsenic related O&M expenses to remain in effect until the effective date of new rates established in the pending rate case.

Staff further recommends approval of a temporary Step-Two ACRM surcharge as shown on Schedule GWB-1 to recover the deferred O&M expenses as authorized in Decision No. 68858. This temporary surcharge will cease 12 months subsequent to the effective date of the surcharge established in this proceeding. RUCO agrees with the recovery mechanism itself, but disagrees with the recovery amount

Staff further recommends that the Company file with the Commission an arsenic remediation surcharge tariff consistent with Schedule GWB-1.

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Staff concludes that Arizona-American Company has already complied with the requirement to file permanent rate applications for its Paradise Valley District no later than September 30, 2008.

Staff recommends that AAW notify its customers of the arsenic cost recovery surcharge tariff approved herein within 30 days of the effective date of this Decision.

Ernest G. Johnson Director

Director

**Utilities Division** 

EGJ:GB:lhm\MAS

ORIGINATOR: Gerald Becker

Arizona-American Water Company - Paradise Valley Docket Nos. W-01303A-05-0405 & W-01303A-05-0910 ACRM Step Two

RESIDENTIAL (See Note Below)

ACRM Step Two			RES	UEN HAL	See !	Note Below)	1								
Decision No. 68858		Base	Pui	olic Safety	High	n Bracket	Dec	isian Na. 68858							
Decision No. 88638		Rates		urcharge		rcharge		Total							
Minimum 5/8" Meter	\$	9.50				-	\$	9.50							
Minimum 3/4" Meter	\$	9.83					\$	9.83							
Minimum 1" Meter	\$	15.85					\$	15.85							
Minimum 1 1/2" Meter	S	32.00					\$	32.00							
Minimum 2" Meter	\$	51.00					\$	51.00							
Minimum 3" Meter	\$	94.50					\$	94.50							
Minimum 4" Meter	\$	157.25					\$	157.25							
Minimum 6" Meter	\$	315.00					\$	315.00							
Commodity Rates, Per 1000 gallons	_					•		0.75							
0 to 25,000 gallons	S	0.76		1.00			\$ \$	2.65							
25,001 to 80,000 gallons	\$ \$	1.65 2.18		1.00	•		5	5.33							
80,001 gailons and over	Þ	2,10	•	1.00	•	2.13	4	3.33							
	D.a.	r Decision	40	RM Step 1			Dec	cision No. 68858							
Decision No. 69396		a. 688 <u>58</u>		urcharge				Total							
ACRM Step One Surchage	17	u, gogou	2	Grenar de				TOTAL							
Minimum 5/8" Meter	\$	9.50	2	14.84			\$	24.34							
Minimum 3/4" Meter	Š	9.83	Š	15,35			\$	25.18							
Minimum 1" Meter	Š	15.85	Š	24.75			\$	40.60							
Minimum 1 1/2" Meter	\$	32.00	Š	49.98			\$	81.98							
Minimum 2" Meter	š	51.00	Š	79.65			\$	130.65							
Minimum 3" Meter	Š	94,50	Š	147.59			\$	242.09							
Minimum 4" Meter	Š	157.25	Š	245.60			\$	402.85							
Minimum 5" Meter	5	315,00	Š	491.97			\$	806.97							
Commodity Rates, Per 1000 gallons	•	0.0.00	•												
0 to 25,000 gallons	\$	0.76	5	0.4534			\$	1,2134							
25,001 to 80,000 gallons	Š	2.65	Š	0.4534			\$	3.1034							
80,001 gallons and over	Š	5.33		0.4534			\$	5.7834							
60,001 galloris and over	•	4.44	•												
									SINE	D	-de	i Rates			
Pending Application - 12-months:									Juli	Recommer					
Pending Application - 12-months: Company Proposed Rates	Pe	r Decision	AC	RM - Step 2	ACF	IM - Step 2	,	ACRM - Step 2		Decision		RM - Step 2	ACRM - Step 2		
Pending Application - 12-months: Company Proposed Rates		r Decision lo. 69396		RM - Step 2 On-going		IM - Step 2 nanth O&M		ACRM - Step 2 2- month Total	Per				ACRM - Step 2 12-month O&M		
								•	Per	Decision <u>69396</u>	AC	RM - Step 2 On-going	12-month O&M	<u>12- m</u>	onth Total
Company Proposed Rates					<u>12-n</u>		1	•	Per	Decision <u>5. 69396</u> 24.34	AC \$	RM - Step 2 On-going 1.96	12-month O&M \$ 0.39	<u>12- m</u> \$	onth Total 26,69
Company Proposed Rates  Minimum 5/8" Meter	N	lo. 69396	9	On-going	<u>12-n</u>	0.39	1	2- month Total	Per <u>No</u>	Decision <u>5, 69396</u> 24.34 25.18	\$ \$	RM - Step 2 On-going 1.96 2.03	12-month O&M \$ 0.39 \$ 0.40	12- m \$ \$	onth Total 26,69 27.61
Company Proposed Rates  Minimum 5/8" Meter  Minimum 3/4" Meter	<u>N</u> \$	10 <u>. 69396</u> 24.34	\$	<u>On-going</u> 2.02	<u>12-n</u>	0.39	\$ \$ \$	2- month Total 26.75	Per <u>No</u> \$	Decision <u>5. 69396</u> 24.34	AC \$	RM - Step 2 On-going 1.96 2.03 3.27	12-month O&M \$ 0.39 \$ 0.40 \$ 0.65	12- m \$ \$ \$	26.69 27.61 44.52
Company Proposed Rates  Minimum 5/8" Meter  Minimum 3/4" Meter  Minimum 1" Meter	<u>N</u> \$	24.34 25.18	\$ \$	<u>2.02</u> 2.09	<u>12-п</u> \$ \$	0.39 0.40	\$ \$ \$	2- month Total 26.75 27.67 44.62 90.10	Per <u>No</u> \$ \$	Decision 0. 69396 24.34 25.18 40.60 81.98	\$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60	12-month O&M \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31	12- m \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89
Company Proposed Rates  Minimum 5/8" Meter  Minimum 3/4" Meter	\$ \$ \$	24.34 25.18 40.60	\$ \$ \$	2.02 2.09 3.37	12-п \$ \$ \$	0.39 0.40 0.65	\$ \$ \$ \$	2- month Total  26.75 27.67 44.62 90.10 143.59	Per <u>No</u> \$ \$ \$ \$	Decision 5. 69396 24.34 25.18 40.60 81.98 130.65	\$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52	12-month O&M	12- m \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26
Company Proposed Rates  Minimum 5/8" Meter  Minimum 3/4" Meter  Minimum 1" Meter  Minimum 1 1/2" Meter	\$ \$ \$ \$	24.34 25.18 40.60 81.98	\$ \$ \$	2.02 2.09 3.37 6.80	12-n	0.39 0.40 0.65 1.31	\$ \$ \$ \$	2- month Total 26.75 27.67 44.62 90.10 143.59 266.06	Per <u>No</u> \$ \$ \$ \$ \$	Decision 0. 69396 24.34 25.18 40.60 81.98 130.65 242.09	\$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49	12-month O&M \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88	12- m \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46
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Minimum 5/8" Meter Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter	\$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09	\$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09	12-n \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88	\$ \$ \$ \$ \$ \$ \$	2- month Total 26.75 27.67 44.62 90.10 143.59 266.06	Per <u>No</u> \$ \$ \$ \$ \$	Decision 0. 69396 24.34 25.18 40.60 81.98 130.65 242.09	\$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45	12- m \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter	<u>N</u> \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85	\$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43	12-n \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45	\$ \$ \$ \$ \$ \$ \$	2- month Total 26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87	Per No. No. S S S S S S S S S S S S S S S S S S S	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93	12-m \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88
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Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1 1/2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 galions 0 to 25,000 gallons	N	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93	1 \$ \$ \$ \$ \$ \$ \$ \$ \$	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780	Per No.	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606	\$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1/4" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons	N	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	******	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93	1 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87	Per No. No. S S S S S S S S S S S S S S S S S S S	Decision 0. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606	\$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88
Minimum 5/8" Meter Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 galions 0 to 25,000 galions 25,001 to 80,000 galions	N	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034	******	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780	Per No.	Decision 0.69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606	\$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761
Minimum 5/8" Meter Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 galions 0 to 25,000 galions 25,001 to 80,000 galions	N	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034	******	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780	Per No.	Decision 2.69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Recomme	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606	\$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561
Minimum 5/8" Meter Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 galions 0 to 25,000 galions 25,001 to 80,000 galions	<u>N</u>	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	******	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580	Per No. No. S.	Decision 0.69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Recommer Decision	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 d Rates CRM - Step 2	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over	<u>N</u>	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	******	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2	Per No. No. S.	Decision 2.69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Recomme	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606	\$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2
Minimum 5/8" Meter Minimum 3/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 11/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallions 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over	<u>N</u>	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580	Per No. No. S.	Decision 0.69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Recommer Decision	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 d Rates CRM - Step 2	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery	N sssssssssss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.2880 3.1780 5.8580  ACRM - Step 2 On-going	Perr No. St. St. St. St. St. St. St. St. St. St	Decision 2.69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Recommer Decision o. 69396	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 d Rates CRM - Step 2 On-going	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2 conth Total
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 11/2" Meter Minimum 1 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months 0&M Recovery Minimum 5/8" Meter	N ssssssssssssssssssssssssssssssss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision Vo. 69396	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going 25.36	Per No. No. S.	Decision 0.69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Recommer Decision 0.69396	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 d Rates CRM - Step 2 On-going	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2 ponth Total
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 3/4" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 1" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 3/4" Meter	N sssssss sss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision 90.69396 24.34 25.18	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27	Per No.	Decision 2,69396 24,34 25,18 40,60 81,98 130,65 242,09 402,85 806,97 1,2134 3,1034 5,7834 Recommer Decision 5,69396	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 0.0606 CRM - Step 2 <u>On-going</u> 1.96 2.03	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2 10nth Total
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 14" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery Minimum 5/8" Meter Minimum 3/4" Meter Minimum 3/4" Meter Minimum 1" Meter	N	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision vo. 69396 24.34 25.18 40.60	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97	Per No.	Decision 2.69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834  Recomme 1 Decision 0.69396	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 0.0606 d Rates CRM - Step 2 <u>On-going</u> 1.96 2.03 3.27	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2 conth Total 26.30 27.21 43.87
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter	N sssssss sss PI sssss	lo. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision No. 69396 24.34 25.18 40.60 81.98	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	<u>1</u>	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97 88.78	Per No. 10	Decision 2.69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834  Recommer Decision 0.69396  24.34 25.18 40.60 81.98	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 d Rates CRM - Step 2 On-going 1.96 2.03 3.27 6.60	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2 Jonth Total 26.30 27.21 43.87 88.58
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter	N sssssss sss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision No. 69396 40.60 81.98 41.98 41.90 81.98	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1 s s s s s s s s s s s s s s s s s s s	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97 88.78 141.49	Per N:	Decision 0, 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834  Recommer Decision 0, 69396  24.34 25.18 40.60 81.98 130.65	AC	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 0.0606 CRM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561  M - Step 2 ponth Total 26.30 27.21 43.87 88.58 141.17
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 11 1/2" Meter Minimum 11 1/2" Meter Minimum 11 1/2" Meter Minimum 11 1/2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 11/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter	N sssssss sss PI ssssss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision 90.69396 24.34 25.18 40.60 81.98 130.65 242.09	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121 0.0121 0.0121	1 s s s s s s s s s s s s s s s s s s s	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  25.36 27.27 43.97 88.78 141.49 262.18	Per No.	Decision 2, 69396  24,34 25,18 40,60 81,98 130,65 242,09 402,85 806,97 1,2134 3,1034 5,7834  Recomme - Decision 0, 69396  24,34 25,18 40,60 81,98 130,65 242,09	AC	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 0.0606 d Rates CRM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561  M - Step 2 jonth Total 26.30 27.21 43.87 88.58 141.17 261.58
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 14" Meter Minimum 1 "Meter Minimum 1 "Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter	N sssssss sss PI sssssss	10. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Pr Decision 10. 69396 24.34 25.18 40.80 81.98 130.65 242.09 402.85	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 2.09 2.09 3.37 6.80 10.84 20.09	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121	1	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97 88.78 141.49 262.18 436.28	Per No.	Decision 2.69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834  Recomme 1 Decision 0.69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85	AC \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 d Rates CRM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$\$\$\$\$\$\$\$\$\$ \$\$\$\$\$\$\$\$\$ ACR#	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2 conth Total 26.30 27.21 43.87 88.58 141.17 261.58 435.29
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery Minimum 5/8" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter	N sssssss sss PI ssssss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision No. 69396 24.34 25.18 40.60 81.98 130.69 242.99 402.85	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121 0.0121 0.0121	1 s s s s s s s s s s s s s s s s s s s	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  25.36 27.27 43.97 88.78 141.49 262.18	Per No.	Decision 2, 69396  24,34 25,18 40,60 81,98 130,65 242,09 402,85 806,97 1,2134 3,1034 5,7834  Recomme - Decision 0, 69396  24,34 25,18 40,60 81,98 130,65 242,09	AC \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 0.0606 d Rates CRM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561  M - Step 2 jonth Total 26.30 27.21 43.87 88.58 141.17 261.58
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 3/4" Meter Minimum 1 "Meter Minimum 1 "Meter Minimum 1 "Meter Minimum 2" Meter Minimum 3" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallions 0 to 25,000 gallions 25,001 to 80,000 gallions 80,001 gallions and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons	N sassassas sas	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision No. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 0.0625 0.0625 0.0625 0.0625 0.0625 0.0625 0.0625	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121 0.0121 0.0121	1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94	Per No.	Decision 2, 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	AC \$	RM - Step 2 On-going  1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98  0.0606	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561  M - Step 2 10nth Total 26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 11/2" Meter Minimum 1 11/2" Meter Minimum 1 11/2" Meter Minimum 1 11/2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 4" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons	N sssssss sss Pl sssssss s	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 er Decision No. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 2.09 3.37 6.80 10.84 20.09	12-n \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121 0.0121 0.0121	1	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759	Per No.	Decision 1, 69396  24,34 25,18 40,60 81,98 130,65 242,09 402,85 806,97 1,2134 3,1034 5,7834  Recomme Pocision 0, 69396  24,34 25,18 40,60 81,98 130,65 242,09 402,85 806,97	AC \$	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 1.96 0.0606	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$\$\$\$\$\$\$\$\$\$ \$ACRn \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561  M - Step 2 jonth Total 26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons	N sasasasasasasasasasasasasasasasasasasa	10. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Pr Decision 10. 69396 24.34 25.180 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 2.09 2.09 2.09 3.37 6.80 10.84 20.09 33.43 66.97	12-T \$\$\$\$\$\$\$\$\$\$ ACI- \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121 0.0121 0.0121	1	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94  1.2759 3.1659	Per No	Decision 2.69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834  Recomme 1 Decision 0.69396  24.34 25.18 40.60 81.98 130.65 242.09	AC \$	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 d Rates CRM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$\$\$\$\$\$\$\$\$ ACR n 12-n	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561 M - Step 2 conth Total  26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95
Minimum 5/8" Meter Minimum 3/4" Meter Minimum 11/2" Meter Minimum 1 11/2" Meter Minimum 1 11/2" Meter Minimum 1 11/2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 4" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons	N sssssss sss Pl sssssss s	10. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 Pr Decision 10. 69396 24.34 25.18 40.80 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 2.09 3.37 6.80 10.84 20.09	12-T \$\$\$\$\$\$\$\$\$\$ ACI- \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121 0.0121 0.0121 0.0121	1	2- month Total  26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87  1.2880 3.1780 5.8580  ACRM - Step 2 On-going  26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759	Per No.	Decision 1, 69396  24,34 25,18 40,60 81,98 130,65 242,09 402,85 806,97 1,2134 3,1034 5,7834  Recomme Pocision 0, 69396  24,34 25,18 40,60 81,98 130,65 242,09 402,85 806,97	AC \$	RM - Step 2 <u>On-going</u> 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 0.0606 1.96 0.0606	12-month O&M  \$ 0.39 \$ 0.40 \$ 0.65 \$ 1.31 \$ 2.09 \$ 3.88 \$ 6.45 \$ 12.93 \$ 0.0121 \$ 0.0121 \$ 0.0121 \$ ACRM - Step 2	12-m \$\$\$\$\$\$\$\$\$\$ \$ACRn \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.2861 3.1761 5.8561  M - Step 2 jonth Total 26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95

Note: On August 27, 2008, the Commission amended Decision No. 68858, thereby reducing the High Bracket Usage surcharge from \$2.15 to \$1.00 per thousand gallons, and resetting the Public Safety surcharge from \$1.00 per thousand gallons to zero, effective September 1, 2008. All of the above rates should be adjusted accordingly. Hence, the adjusted commodity rates for the pending application would be:

		Amen	allelic			~~~~	20110010	
Commodity Rates, Per 1000 gallons			8/27/2008				8/27/2008	
0 to 25,000 gallons	1.2134	0.0625 \$	- \$	1.2759	1.2134	0.0606 \$	- \$	1.2740
25,001 to 80,000 gallons	3.1034	0.0625 \$	(1.00) \$	2.1659	3.1034	0.0606 \$	(1.00) \$	2.1640
80,001 gallons and over	5.7834	0.0625 \$	(3.15) \$	2.6959 0	5.7834	0.0606 \$	(3.15) \$	2.6940

Arizona-American Water Company - Paradise Valley Docket Nos. W-01303A-05-0405 & W-01303A-05-0910

Docket Nos. W-01303A-05-0405 & W ACRM Step Two	-01303A		0 COMMERCIAL	(See N	ote Below)	)									
Decision No. 68858	Bas Rat		Public Safety Surcharge		Bracket	Deci	sion No. 68858 Total								
Minimum 5/8" Meter	\$	9.50		3.3.		\$	9.50								
Minimum 3/4" Meter	S	9.83				5	9.83								
Minimum 1" Meter		15.85				\$	15.85								
		32.00				\$	32.00								
Minimum 1 1/2" Meter		51.00				\$	51.00								
Minimum 2" Meter		94.50				\$	94,50								
Minimum 3" Meter						\$ \$	157.25								
Minimum 4" Meter		57.25					315.00								
Minimum 6" Meter	\$ 3	15.00				\$	313,00		,						
Commodity Rates, Per 1000 gallons						_	4.07								
0 to 400,000 gallons	\$	1.27		_		\$	1.27								
400,001 gallons and over	\$ .	1.56	\$ 1.00	2	2.15	5	4.71								
Decision No. 69396 ACRM Step One Surcharge	Per De No. 6		ACRM Step 1 Surcharge			Dec	ision No. 69396 <u>Total</u>								
Minimum 5/8" Meter	S	9.50	\$ 14.84			\$	24.34								
Minimum 3/4" Meter	Š		\$ 15.35			\$	25.18								
			\$ 24.75			Š	40.60								
Minimum 1" Meter	-		\$ 49.98			Š	81.98								
Minimum 1 1/2" Meter	-		s 79.65			\$	130.65								
Minimum 2" Meter	-		\$ 147.59			\$	242.09								
Minimum 3" Meter	-					\$	402.85								
Minimum 4" Meter						S	806.97								
Minimum 6" Meter	<b>\$</b> 3	15.00	\$ 491.97			4	900.91								
Commodity Rates, Per 1000 gallons	_		- 0.4504				4 7024								
0 to 400,000 gallons	\$		\$ 0.4534			\$	1.7234								
400,001 galions and over	\$	4.71	\$ 0.4534			\$	5.1634								
Pending Application - 12-months	<u>No. 6</u>	9396	ACRM - Step 2 On-going	<u>12-mc</u>	onth O&M	13	CRM - Step 2 2- month Total	Per ( No.	69396	ACRM <u>Qn-</u>	- Step 2 going	<u>12-m</u>	M - Step 2 onth O&M 0.39	<u>12- m</u>	
Minimum 5/8" Meter	-	24.34			0.39		26.75	\$	24.34		2.03	\$	0.39		27.61
Minimum 3/4" Meter	-		\$ 2.09			\$	27.67	\$	25.18		3,27	-	0.40		44.52
Minimum 1" Meter	-		\$ 3.37			\$	44.62	\$		\$					89.89
Minimum 1 1/2" Meter	-	81.98	\$ 6.80	\$		\$	90.10	\$		\$	6.60		1.31		
Minimum 2" Meter	•	130.65	\$ 10.84		2.09		143.59	S		\$	10.52			\$	143.26
Minimum 3" Meter		242.09	\$ 20.09	\$		\$	266.06	\$	242.09	\$	19.49		3.88		265.46
Minimum 4" Meter		102.85	\$ 33.43	\$		\$	442.74	\$		\$	32.44		6.45		441.74
Minimum 6" Meter	\$ 8	306.97	\$ 66.97	\$	12.93	\$	886.87	\$	806.97	\$	64.98	\$	12.93	3	884,88
Commodity Rates, Per 1000 gallons						_		_		_		_			4 7004
0 to 400,000 gallens		1.7234	\$ 0.0625		0.0121		1.7980	\$	1.7234	S	0.0606		0.0121		1.7961
400,001 gallons and over	\$ 5	5.1634	\$ 0.0625	\$	0.0121	\$	5.2380	\$	5.1634	\$	0.0606	\$	0.0121	\$	5.2361
									ecommend Decision			ACD	M - Step 2	ACP	M - Sten ?
Company Proposed Rates		+-	400M CI= 0	400	1 61 7		CDM Stor 2		69396		- alep 2 going		onth O&M		nonth Total
Pending Application - On-going After 12 Months O&M Recovery		ecision 69396	ACRM - Step 2 On-going		onth O&M		CRM - Step 2 On-going	140	65350	<u> </u>	young	14-10	IONUT O'GIVI	14-1	(O(III) (OIBI
														_	_
Minimum 5/8" Meter	\$	24.34			•	\$	26.36	\$	24.34	-	1.96	-	-	\$	26.30
Minimum 3/4" Meter	5	25.18	\$ 2.09	\$	-	\$	27.27	\$	25.18		2.03		-	\$	27.21
Minimum 1" Meter	\$	40.60	\$ 3.37	\$	-	\$	43.97	\$	40.60		3.27		-	S	43.87
Minimum 1 1/2" Meter	\$	81.98	\$ 6.80	\$	-	\$	88.78	\$	81.98	\$	6.60		-	\$	88.58
Minimum 2" Meter	\$	130.65	\$ 10.84	\$	-	\$	141.49	\$	130.65	\$	10,52	\$	-	S	141,17
Minimum 3" Meter		242.09	\$ 20.09	\$	-	\$	262.18	\$	242.09	\$	19.49		•	\$	261.58
Minimum 4" Meter	\$	402.85	\$ 33.43	\$	-	\$	436.28	\$	402.85	\$	32.44	\$	-	\$	435.29
Minimum 6" Meter	\$	806.97	\$ 66.97	\$	-	5	873.94	\$	806.97	\$	64.98	\$	-	\$	871.95
Commodity Rates, Per 1000 gallons															
0 to 400,000 gallons	S	1.7234	\$ 0.0625	\$	-	\$	1.7859	\$	1.7234	\$	0.0606	\$	•	\$	1.7840
400,001 gallons and over		5.1634			-	\$	5.2259	\$	5.1634	\$	0.0606	\$	-	\$	5.2240
400,001 gallotis and over	•	0.100	• 0.000	•		_									
Note: On August 27, 2008, the Committereby reducing the High Bracket U per thousand gallons, and resetting the strong effective and second per thousand gallons to zero.	sage sure he Public	charge i Safety	from \$2.15 to \$1 surcharge from	.00 \$1.00											

per mousand gallons, and resetting the Public Safety surcharge from \$1.00 per thousand gallons to zero, effective September 1, 2008. All of the above rates should be adjusted accordingly. Hence, the adjusted commodity rates for the pending application would be:

		Amen	ament 8/27/2008			Amen	8/27/2008	
Commodity Rates, Per 1000 gallons 0 to 400,000 gallons 400,001 gallons and over	1.7234 5.1634	0.0625 \$ 0.0625 \$	- \$ (3.15) \$	1.7859 2.0759	1.7234 5.1634	0.0606 \$ 0.0606 \$	- \$ (3.15) \$	1.7840 2.0740

Arizona-American Water Company - Paradise Valley
Docket Nos. W-01303A-05-0405 & W-01303A-05-0910
ACRM Step Two PV COUNTRY CLUB (CONTRACT RATE) (See Note Below)

ACRM Step Two			F V	COUNTRY	,	3 (00)417040	,,,,,	CATE) (See Note De	0117					
Decision No. 68858		Base Rates		ublic Safety Surcharge		igh Bracket Surcharge	De	ecision No. 68858 Total						
Minimum 6" Meter Commodity Rates, Per 1000 gallons	\$	267.75	-	<u> </u>	-		\$	267.75						
0 to 25,000,000 gallons	\$	0.85					s	0.85						
25,000,001 gallons and over	\$	0.85	\$	0.85	\$	1.8275	\$	3.5275						
Decision No. 69396 ACRM Step One Surcharge		r Decision lo. 68858		CRM Step 1 Surcharge			D	ecision No. 68858 <u>Total</u>						
Minimum 6" Meter Commodity Rates, Per 1000 gallons	\$	267.75	\$	418.17			\$	685.92						
0 to 25,000,000 gallons	s	0.85	5	0.3854			\$	1,24						
25,000,001 gallons and over	\$	3.53		0.3854			\$	3.91						
									Sta	ff Recommen	ded	Rates		
Pending Application - 12-months		er Decision lo. 69396		RM - Step 2 On-going		:RM - Step 2 -month O&M		ACRM - Step 2 12- month Total		Per Decision No. 69396	AC	RM - Step 2 On-going	RM - Step 2 month O&M	
Minimum 6" Meter	\$	685.92	\$	56.92	\$	10.99	\$	753.83	\$	685.92	\$	55.23	\$ 10.99	\$ 752.14
Commodity Rates, Per 1000 gallons 0 to 25,000,000 gallons	s	1.24	5	0.0531	\$	0.0103	\$	1,30	\$	1.24	\$	0.0515	\$ 0.0103	\$ 1.30
25,000,001 gailons and over	Š	3.91		0.0531		0.0103	\$	3.98	\$	3.91	\$	0.0515	\$ 0.0103	\$ 3.97
Company Proposed Rates									Sta	iff Recommen	ded	Rates		

Company Proposed Rates Per Decision ACRM - Step 2 Per Decision Pending Application - On-going After 12 Months O&M Recovery 12-month O&M 12-month Total 12-month O&M No. 69396 On-going No. 69396 On-going On-going 55.23 \$ 741.15 685.92 \$ 742.84 Minimum 6" Meter 685.92 \$ 56.92 \$ Commodity Rates, Per 1000 gallons 0.0515 \$ 1.2869 0.0531 \$ 1.2885 1.2354 \$ 1.2354 \$ 3.9129 \$ 0 to 25,000,000 gallons 3.9644 0.0515 \$ 0.0531 \$ 3.9660 3.9129 \$ 25,000,001 gallons and over

Note: On August 27, 2008, the Commission amended Decision No. 68858, thereby reducing the High Bracket Usage surcharge from \$2.15 to \$1.00 per thousand gallons, and resetting the Public Safety surcharge from \$1.00 per thousand gallons to zero, effective September 1, 2008. Since the Country Club pays 85 percent of the Commercial surcharge, the reductions are \$.85 per thousand gallons for Public Safety surcharge and \$1.8275 per thousand gallons for the High Bracket Usage surcharge. Hence, the adjusted commodity rates are:

					Am	endment 8/27/2008						Ame	endment 8/27/2008	
Commodity Rates, Per 1000 gailons 0 to 25,000,000 gailons 25,000,001 gailons and over	\$ \$	1.2354 3.9129	s s	0.0531 0.0531	\$	\$ (2.68) \$	1,2885 1,2885	\$ \$	1.2354 3.9129	\$ \$	0.0515 0.0515		- \$ (2.6775) \$	1.2869 1.2869

Arizona-American Water Company - Paradise Valley Docket Nos. W-01303A-05-0405 & W-01303A-05-0910 ACRM Step Two PV TURF CUSTOMERS

Decision No. 68858	Base Rates	Public Safety Surcharge	High Bracket Surcharge	Decisi	ion No. 68858 <u>Total</u>
Minimum 5/8" Meter	\$ 9.50			\$	9.50
Minimum 3/4" Meter	\$ 9.83			\$	9.83
Minimum 1" Meter	\$ 15.85			\$	15.85
Minimum 1 1/2" Meter	\$ 32.00			\$	32.00
Minimum 2" Meter	\$ 51.00			\$	51.00
Minimum 3" Meter	\$ 94.50			\$	94.50
Minimum 4" Meter	\$ 157.25			\$	157.25
Minimum 6" Meter	\$ 315.00			\$	315.00
Commodity Rates, Per 1000 gallons					
ALL Gallons	\$ 1.00			\$	1.00

Decision No. 69396 ACRM Step One Surcharge		Decision 5. 68858		CRM Step 1 Surcharge		n No. 68858 <u>Total</u>
Minimum 5/8" Meter	\$	9.50	\$	14.84	\$	24.34
Minimum 3/4" Meter	\$	9.83	\$	15.35	\$	25.18
Minimum 1" Meter	S	15.85	\$	24.75	· \$	40.60
Minimum 1 1/2" Meter	Š	32.00	\$	49.98	\$	81.98
Minimum 2" Meter	S	51.00	\$	79.65	\$	130.65
Minimum 3" Meter	\$	94.50	\$	147.59	\$	242.09
Minimum 4" Meter	s	157.25	S	245,60	\$	402.85
Minimum 6" Meter	\$	315,00	\$	491.97	\$	806.97
Commodity Rates, Per 1000 gallons						
ALL Gallons	\$	1.00	\$	0.4534	\$	1.4534

									Staff	Recomme	ndec	Rates				
Pending Application - 12-months	Per	Decision	ACR	M - Step 2	ACR	M - Step 2		ACRM - Step 2	Per	Decision	AC	RM - Step 2	ACF	M - Step 2	ACI	RM - Step 2
remaining reprincipation in management		o. 69396		n-going		onth Q&M		12- month Total	<u>N</u> o	69396	9	On-going	<u>12-п</u>	nonth O&M	<u>12-</u>	month Total
Minimum 5/8" Meter	\$	24.34	\$	2.02	\$	0.39	\$	26.75	\$	24.34	\$	1.96	\$	0.39	\$	26.69
Minimum 3/4" Meter	Š	25.18	\$	2.09	\$	0.40	\$	27.67	\$	25.18	\$	3.98	\$	0.40	\$	29.56
Minimum 1" Meter	s	40.60	S	3.37	\$	0.65	\$	44,62	\$	40.60	\$	4,11	S	0.65	\$	45.37
Minimum 1 1/2" Meter	Š	81.98	Š	6.80	\$	1.31	\$	90.10	\$	81.98	\$	6.63	\$	1.31	\$	89.93
Minimum 2" Meter	Š	130.65	-	10.84	Š	2.09	s	143.59	\$	130.65	\$	13.40	\$	2.09	\$	146.14
Minimum 3" Meter	Š	242.09		20.09	Š	3.88	S	266.06	\$	242.09	S	21.35	\$	3.88	\$	267.32
Minimum 4" Meter	Š	402.85	-	33.43	\$	6.45			\$	402.85	\$	39.56	\$	6.45	-	448.87
Minimum 6" Meter	\$	806.97	\$	66.97	\$	12.93	\$	886.87	\$	806.97	\$	65.84	\$	12.93	\$	885.74
Commodity Rates, Per 1000 gallons					_		_		_		_	0.000		0.0404		4 5004
ALL Gallons	\$	1.4534	\$	0.0625	\$	0.0121	\$	1.5280	\$	1.4534	\$	0.0606	Þ	0.0121	4	1.5261

Company Proposed Rates									Staff	Recomme					
Pending Application - On-going	Per	Decision	ACR	M - Step 2	ACR	M - Step 2	-	ACRM - Step 2	Per	Decision	ACI	RM - Step 2	ACRM - Step 2	ACR	M - Step 2
After 12 Months O&M Recovery		69396		n-going		onth O&M		On-going	<u>No</u>	69396	9	On-going	12-month O&M	<u>12- m</u>	onth Total
Minimum 5/8" Meter	\$	24.34	\$	2.02	\$	•	\$	26.36	\$	24.34	\$	1.96		\$	26.30
Minimum 3/4" Meter	\$	25.18	\$	2.09	\$	•	\$	27.27	\$	25.18	\$	3.98		\$	29.16
Minimum 1" Meter	Š	40,60	\$	3.37	\$	•	\$	43.97	\$	40,60	\$	4.11		\$	44.71
Minimum 1 1/2" Meter	s	81.98	S	6.80	\$	-	\$	88.78	\$	81.98	\$	6.63		\$	88.61
Minimum 2" Meter	\$	130.65		10.84	\$	-	\$	141.49	S	130.65	\$	13,40		\$	144.05
Minimum 3" Meter	Š	242.09	-	20.09	Š	-	s	262.18	S	242.09	\$	21.35		\$	263.44
Minimum 4" Meter	Š	402,85		33.43	-	-	\$	436.28	\$	402.85	\$	39.56		\$	442.41
Minimum 6" Meter	\$	806.97	\$	66.97	\$	•	\$	873.94	\$	806.97	\$	65.84		\$	872.81
Commodity Rates, Per 1000 gallons															
ALL Gallons	\$	1.4534	\$	0.0625	\$	-	\$	1.5159	\$	1.4534	\$	0.0606		\$	1.5140

Arizona-American Water Company - Paradise Valley
Docket Nos. W-01303A-05-0405 & W-01303A-05-0910
ACRM Step Two OTHER: GENERAL & RESALE

ACRM Step Two			ОТН	IER: GENER	AL & RESAL	E										
Decision No. 68858		Base		iblic Safety Jurcharge	High Bracke Surcharge		Decis	sion No. 68858 <u>Total</u>								
		Rates	3	urcharde	Sulcharge		\$	9.50								
Minimum 5/8" Meter	\$	9.50					s S	9.83								
Minimum 3/4" Meter	\$	9.83					э \$									
Minimum 1" Meter	\$	15.85						15.85								
Minimum 1 1/2" Meter	\$	32.00					\$	32.00								
Minimum 2" Meter	\$	51.00					\$	51.00								
Minimum 3" Meter	\$	94.50					\$	94.50								
Minimum 4" Meter	\$	157.25					\$	157.25								
Minimum 6" Meter	S	315.00					\$	315.00								
Commodity Rates, Per 1000 gallons																
ALL	\$	1,46					\$	1.46								
,																
Decision No. 69396		Decision 0, 68858		CRM Step 1 Surcharge			Deci	sion No. 69396 <u>Total</u>								
ACRM Step One Surcharge	140	<u>, 60656</u>	2	Juliala				7000								
Minimum 5/8" Meter	\$	9.50	\$	14.84			\$	24.34								
Minimum 3/4" Meter	\$	9.83	\$	15.35			\$	25.18								
Minimum 1" Meter	\$	15.85	\$	24.75			\$	40.60								
Minimum 1 1/2" Meter	\$	32.00	5	49.98			\$	81.98								
Minimum 2" Meter	Š	51.00	S	79.65			\$	130.65								
Minimum 3" Meter	\$	94,50	S	147.59			5	242.09								
Minimum 4" Meter	Š	157.25	\$	245.60			\$	402.85								
Minimum 6" Meter	S	315.00	\$	491.97			\$	806.97								
Commodity Rates, Per 1000 gallons	-															
ALL	5	1.46	\$	0.4534			\$	1.9134								
									Staff F	Recommended F	Rate:	s				
Pending Application - 12-months:	Da	· Decicion	۸۵	PM - Sten 2	ACRM - Ste	n 2	Aſ	CRM - Step 2		Recommended F er Decision			ACF	RM - Step 2	ACF	RM - Step 2
Pending Application - 12-months: Company Proposed Rates					ACRM - Ste	р 2 RM		CRM - Step 2	Р	er Decision	AC	s RM - Step 2 On-going		RM - Step 2		RM - Step 2
		r Decision o, 69396		RM - Step 2 On-going	ACRM - Ste	p 2 <u>8M</u>		CRM - Step 2 - month Total	Р		AC	RM - Step 2 On-going	<u>12-n</u>	nonth O&M	<u>12- i</u>	month Total
Company Proposed Rates	N	o <u>. 69396</u>			12-month O	<u>RM</u>			Р	er Decision	AC	RM - Step 2	<u>12-n</u>	0.39	12-1 \$	month Total 26.69
Company Proposed Rates  Minimum 5/8" Meter	<u>N:</u> \$	<u>0. 69396</u> 24.34	\$	On-going 2.02	12-month O	<u>8M</u> 39	12	- month Total	P	er Decision No. 69396	AC	RM - Step 2 On-going	12-n	0.39 0.40	12-1 \$ \$	26.69 27.61
Company Proposed Rates  Minimum 5/8" Meter  Minimum 3/4" Meter	<u>N</u> : \$ \$	24.34 25.18	\$ \$	<u>On-going</u> 2.02 2.09	\$ 0. \$ 0.	<u>8M</u> 39 40	<u>12</u>	- month Total 26.75	Р <u>.</u> \$	er Decision No. 69396 24.34	ACI	RM - Step 2 On-going 1.96	12-n	0.39 0.40	12-1 \$	26.69 27.61 44.52
Company Proposed Rates  Minimum 5/8" Meter  Minimum 3/4" Meter  Minimum 1" Meter	\$ \$ \$	24.34 25.18 40,60	\$ \$ \$	<u>On-going</u> 2.02 2.09 3.37	\$ 0. \$ 0. \$ 0.	39 40 65	12 \$ \$	2- month Total 26.75 27.67	P ! \$ \$	er Decision No. 69396 24.34 25.18	ACI	RM - Step 2 On-going 1.96 2.03	12-n	0.39 0.40	12-1 \$ \$ \$	26.69 27.61
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter	\$ \$ \$ \$	24.34 25.18 40.60 81.98	s s s	On-going 2.02 2.09 3.37 6.80	\$ 0. \$ 0. \$ 0. \$ 1.	39 40 65 31	12 \$ \$ \$	26.75 26.75 27.67 44.62	9 ! \$ \$ \$	er Decision No. 69396 24.34 25.18 40.60	S S S S	RM - Step 2 On-going 1.96 2.03 3.27	12-n	0.39 0.40 0.65	12-1 \$ \$ \$	26.69 27.61 44.52 89.89 143.26
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1" 1/2" Meter Minimum 2" Meter	N: S S S S S S	24.34 25.18 40.60 81.98 130.65	\$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84	12-month Od \$ 0. \$ 0. \$ 0. \$ 1. \$ 2.	39 40 65 31	12 \$ \$ \$ \$ \$	2- month Total 26.75 27.67 44.62 90.10	\$ \$ \$ \$ \$	er Decision No. 69396 24.34 25.18 40.60 81.98	S S S S	RM - Step 2 On-going 1.96 2.03 3.27 6.60	12-m \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31	\$ \$ \$ \$ \$	26.69 27.61 44.52 89.89
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/1/2" Meter Minimum 2" Meter Minimum 3" Meter	<u>N</u>	24.34 25.18 40.60 81.98 130.65 242.09	\$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09	12-month Od \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3.	39 40 65 31 09 88	12 \$ \$ \$ \$ \$ \$	26.75 26.75 27.67 44.62 90.10 143.59 266.06	* * * * * * * * * * * * * * * * * * *	er Decision No. 69396 24.34 25.18 40.60 81.98 130.65	S S S S S	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52	12-m \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09	\$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter	<u>N</u> ******	24.34 25.18 40.60 81.98 130.65 242.09 402.85	\$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43	12-month Od \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6.	39 40 65 31 09 88 45	12 \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	er Decision No. 69396 24.34 25.18 40.60 81.98 130.65 242.09	AC S	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49	12-m \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88	\$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter	<u>N</u>	24.34 25.18 40.60 81.98 130.65 242.09	\$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09	12-month Od \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3.	39 40 65 31 09 88 45	12 \$ \$ \$ \$ \$ \$	26.75 26.75 27.67 44.62 90.10 143.59 266.06	* * * * * * * * * * * * * * * * * * *	er Decision No. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85	AC:	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44	12-m \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45	\$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter	<u>N</u> ******	24.34 25.18 40.60 81.98 130.65 242.09 402.85	\$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43	12-month O3 \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 12.	39 40 65 31 09 88 45	12 \$ \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	er Decision No. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44	12-rr \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45	\$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons	<u>N</u>	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97	12-month O3 \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 12.	39 40 65 31 09 88 45	12 \$ \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87	9 5 5 5 5 5 5 5 5 5	er Decision No. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	12-rr \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93	\$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL	*******	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625	12-month Of \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12.	39 40 65 31 09 88 45 93	12 \$ \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87	P	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134  Recommended	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	12-n \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93	\$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88
Company Proposed Rates  Minimum 5/8" Meter Minimum 1/4" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates	*******	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625	12-month O3 \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 12.	39 40 65 31 09 88 45 93	12 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87	P	er Decision No. 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL	N:	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625	12-month Of \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12.	39 40 65 31 09 88 45 93 21	12 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87	Staff I	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134  Recommended	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery	Zi sssssss s	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134	\$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625	12-month Of \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01	39 40 65 31 09 88 45 93 21	12 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880 CRM - Step 2 On-going	Staff I	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134  Recommended lear Decision No. 69396	AC: 1	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter	Zi sssssss s PN s	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134	\$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going	12-month Of \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01	39 40 65 31 09 88 45 93 21	12 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880 CRM - Step 2 On-going	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134  Recommended Per Decision No. 69396	AC: ! \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861 RM - Step 2 month Total
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 5/8" Meter Minimum 3/4" Meter	Zi sasasasa s P zi sas	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 or Decision to 69396 24.34 25.18	\$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.02 2.09	12-month O2 \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01	39 40 65 31 09 88 45 93 21	12 \$	26.36 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880 CRM - Step 2 On-going	P !	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134  Recommended Per Decision No. 69396  24.34 25.18	AC: 1	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter	Zi sssssss s PZ sss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 r Decision to 69396 24.34 25.18	\$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.02 2.09 3.37	12-month Of \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01  ACRM - Ste 12-month O \$	39 40 65 31 09 88 45 93 21	12 \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880 CRM - Step 2 On-going 28.36 27.27 43.97	Staff   P	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97  1.9134  Recommended ler Decision No. 69396  24.34 25.18 40.60	AC: 1	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 s RM - Step 2 On-going 1.96 2.03 3.27	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861 RM - Step 2 month Total 26.30 27.21
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1 1/2" Meter	2	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 r Decision 10, 69396 24.34 25.18 40,60 81.98	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.09 3.37 6.80	12-month Of \$ 0. \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01	8M 39 40 65 31 09 88 45 93 21	12 \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880  CRM - Step 2 On-going 26.36 27.27 43.97 88.78	P !	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97  1.9134  Recommended ler Decision No. 69396  24.34 25.18 40.60 81.98	AC: 1	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 s RM - Step 2 On-going 1.96 2.03 3.27 6.60	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.25 265.46 441.74 884.88 1.9861  RM - Step 2 month Total 26.30 27.21 43.87
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1 1/2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1 5/8" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter	Zi sssssss s PZ sssss	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 or Decision 10.69396 24.34 25.18 40.60 81.98	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.02 2.09 3.37 6.80 10.84	12-month Of \$ 0. \$ 0. \$ 0. \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01	39 40 65 31 09 88 45 93 21	12 \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880 CRM - Step 2 On-going 26.36 27.27 43.97 88.78	P !	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134  Recommended ler Decision No. 69396  24.34 25.18 40.60 81.98 130.65	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 s RM - Step 2 On-going 1.96 2.03 3.27 6.00 10.52	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12-1 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861  RM - Step 2 month Total 26.30 27.21 43.87 88.58
Company Proposed Rates  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1 1/2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter	Zi sasasas s PZ sasasas	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 or Decision to 69396 24.34 25.18 40.60 81.98 130.65 242.09	\$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.02 2.09 3.37 6.80 10.84 20.09	12-month Of \$ 0.0 \$ 0.0 \$ 0.0 \$ 1.1 \$ 2.5 \$ 0.01 \$ 0.01 \$ ACRM - Ste 12-month Of \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	8M 39 40 65 31 09 88 45 93 21	12 \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880  CRM - Step 2 On-going 26.36 27.27 43.97 88.78 141.49 262.18	P !	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97  1.9134  Recommended ler Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 s RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12- \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861  RM - Step 2 month Total 25.30 27.21 43.87 88.58 141.17 261.58
Company Proposed Rates  Minimum 5/8" Meter Minimum 1' Meter Minimum 1' Meter Minimum 1' Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter	Zi sasasasa s PZ sasasasa	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 r Decision to 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85	\$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.09 2.09 3.37 6.80 10.84 20.09 33.43	12-month Of \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01  ACRM - Ste 12-month Of \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	8M 39 40 65 31 09 88 45 93 21	12 \$\$\$\$\$\$\$\$\$\$\$ \$ A \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880  CRM - Step 2 On-going 26.36 27.27 43.97 88.78 141.49 262.18 436.28	P !! \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97  1.9134  Recommended Per Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 0.0606 s RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12- \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861  RM - Step 2 month Total 26.30 27.21 43.87 88.58 141.17 261.58 435.29
Company Proposed Rates  Minimum 5/8" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Minimum 6" Meter Minimum 6" Meter	Zi sasasas s PZ sasasas	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 or Decision to 69396 24.34 25.18 40.60 81.98 130.65 242.09	\$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.02 2.09 3.37 6.80 10.84 20.09	12-month Of \$ 0. \$ 0. \$ 0. \$ 1. \$ 2. \$ 3. \$ 6. \$ 12. \$ 0.01  ACRM - Ste 12-month Of \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	8M 39 40 65 31 09 88 45 93 21	12 \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880  CRM - Step 2 On-going 26.36 27.27 43.97 88.78 141.49 262.18	P !	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97  1.9134  Recommended ler Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 s RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12- \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861  RM - Step 2 month Total 25.30 27.21 43.87 88.58 141.17 261.58
Company Proposed Rates  Minimum 5/8" Meter Minimum 1' Meter Minimum 1' Meter Minimum 1' Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons ALL  Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery  Minimum 5/8" Meter Minimum 1" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter	Zi sasasasa s PZ sasasasa	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.9134 r Decision to 69396 24.34 25.18 40.60 81.98 130.65 242.09 402.85	\$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 CRM - Step 2 On-going 2.09 2.09 3.37 6.80 10.84 20.09 33.43	12-month Of \$ 0.0 \$ 0.0 \$ 0.0 \$ 1.0 \$ 0.0 \$ 1.0 \$ 0.0 \$ 1.0 \$ 0.0 \$ 1.0 \$ 0.0 \$ 1.0 \$ 0.0 \$ 1.0 \$ 0.0 \$ 1.0	8M 39 40 65 31 09 88 45 93 21	12 \$\$\$\$\$\$\$\$\$\$\$ \$ A \$	26.75 27.67 44.62 90.10 143.59 266.06 442.74 886.87 1.9880  CRM - Step 2 On-going 26.36 27.27 43.97 88.78 141.49 262.18 436.28	P !! \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	er Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97  1.9134  Recommended Per Decision No. 69396  24.34 25.18 40.60 81.98 130.65 242.09 402.85	AC	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 0.0606 s RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.39 0.40 0.65 1.31 2.09 3.88 6.45 12.93 0.0121	12- \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.69 27.61 44.52 89.89 143.26 265.46 441.74 884.88 1.9861  RM - Step 2 month Total 26.30 27.21 43.87 88.58 141.17 261.58 435.29

Arizona-American Water Company Paradise Valley Water District Docket No. W-01303A-05-0405 et al. 12 Months Ending December, 2007 Arsenic Revenue Requirement, Step-Two

ב ב ב	יוור אפעפונים אפלתופוני, סנסף ייונ	පි	Co. Proposed [A]	Staff Adjustment [B]	stment ]	Staff Recommended [C]	D.
ine							
힞							
-	Arsenic Plant Revenue Requirement						
0	Gross Arsenic Plant in Service/Rate Base	₩	2,587,299	<b>↔</b>	38,012	\$	
1 6	Accimulated Depreciation of Arsenic Plant (Step 1)		(636,636)	<del>69</del>	22,977	(2) (659,613)	
,  -	Not Areaic Diant in Sanica/Bate Base	49	1,950,663	<del>69</del>	686'09	\$1,889,674	
<b>†</b> L	Occupation of the Control of the Con	,	3.08%	· <del>64</del>	0	2.95%	
o	Depreciation (ate on morning assembly pram		1000	• 6	7 520	-	
9	Depreciation expense		010'8/	A	4,330	9/0'0/ (c)	
	Depreciation expense net of tax		48,885	<b>⇔</b>	2,786	(4) 46,099	
- α	Recoverable O&M costs - Ongoing		74,593	€9	•	74,593	
	Recoverable O&M costs - Ondoing net of tax1		45,801			(4) 45,801	
, Ç	Areanic Operating Income	ક્ક	(94,686)	s	(2,786)	\$ (91,900)	
2 =	Rate of return		-4.85%			-4.86%	
- \$	Remited Rate of Return <sup>2</sup>		7.24%			(5) 7.24%	
- <del>.</del>	Decuired Operation Income		141.228	<del>69</del>	4,416	136,812	
2 5	Operating Income deficiency		235,914	€9	7,202	228,712	
<u> </u>	Gross revenue conversion factor		1.62863			(5) 1.62863	
. <del>.</del>	Revenue deficiency	63	384,217	es.	11,729	\$ 372,488	
2							

Explanation of Adjustments:
(1) See engineering report. This represents O&M items charged to ACRM capital projects, in error.
(2) Adjustment to reflect 13.5 months of depreciation approved in ACRM Step 1, Decision No. 69396
(3) Staff Recalculated Expense on Schdule GWB-3
(4) 38.5989 % tax rate per Decision No. 68858
(5) Decision No. 68858

Arsenic Revenue Requirement, Step-Two Docket No. W-01303A-05-0405 et al. Arizona-American Water Company Paradise Valley Water District

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	<b>3</b> ==	Depreciation				•	39,632	1,438	2,771	28,666	1,223	0	43	•	129	53	1,123	75,078
	Staff	Dep	į			,	₩	↔	₩	↔	↔	↔	↔	↔	↔	₩	<del>⇔</del>	↔
	ACRM Step 2	Plant, per	_				1,981,604	43,179	63,125	406,039	38,830	0	893	1	3,567	541	11,509	2,549,287
	ACF	五	Staff	<u>ෆ</u>			₩	₩	↔	↔	↔	₩	↔	₩	€>	€>	↔	↔
Plant		Removal					(747)			(2,079)					(2,854)		(27,332)	(38,012)
its to		ፚ		<u>@</u>			↔			₩					↔			€
Staff Adjustments to Plant	•	Reclassification					368,440					(368,440)						•
Staf		Reck		<u>@</u>			₩					↔						↔
	Annual	Deprec.	Expense				32,278	1,438	2,771	29,166	1,223	8,622	43	,	232	53	3,791	79,616
	∢	Ω	வி	₹			₩											₽
		Appvd.	Depr. Rate	<u> </u>			2.00%	3.33%	4.39%	7.06%	3.15%	2.34%	4.80%	4.04%	3.61%	9.76%	9.76%	
		Total	Project D	_			1,613,911	43,179	63,125	413,118	38,830	368,440	893	,	6,422	541	38,841	2,587,299
				₹			₩					↔						€9-
			W.O.	₹			50073241	50073242	50073244	50073250	50073251	50073252	50073255	50073256	50073258	50073260	50073261	
Arsonic Plant Denraciation Bate			Description				304 - PV Arsenic Struct. & Imp.	310 - PV Arsenic Power Prod Equip	311 - DV Arsenic Pumping Equip	320 - PV Arsenic With Trimt Faulo	330 - PV Arsenic Dist. Res. & Sto.	331 - PV Arsenic T&D Mains	339 - PV Arsenic Other Plant & Misc.	340 - PV Arsenic Offc. Furn. & Equip.	343 - PV Arsenic Tools, Shop, & Gar.	344 - PV Arsenic Laboratory Equip.	346 - PV Arsenic Commun. Equip.	Totals
Arconic	יייין ארני ארני ארני ארני ארני ארני ארני ארני	Š	-	2	က	4	ĸ	<b>.</b> (C	7 0	- α	σ	, <del>C</del>	7	12	<u>.</u>	14	. <del>.</del>	16

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As filed by the Company, Depreciation Expense ₹

Per Decision No. 68858

<u>B</u>

Removals due to O&M included in ACRM Plant Addtionsl Reclassification due to nature of work done in Step-Two

See also Engineering report for more discussion.

Company Proposed Plant, net of reclassifications and removals Staff Depreciation Expense for ACRM Step-Two Plant, based on Staff's adjusted plant balance times depreciation rates in Decision

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No. 68858

Arizona-American Water Company Deradise Valley Water District	Docket No. W-01303A-05-0405 et al.	12 Months Ending December, 2007	Surcharde Calculation
Arizona Paradise	Docket N	12 Month	Surchar

12 Mc Surch	12 Months Ending December, 2007 Surcharge Calculation	<u></u> 4	[8]	(D	[0]	<u>[</u> ]	Ē	[6]	ε	<u>-</u>	
No. 2 2 2 2 2 3 2 3 2 3 3 3 3 3 3 3 3 3 3	' <u>Growth</u> Dec. 2006 (Year 1) Dec. 2007 (Year 2) Year 2 minus Year 1 Percentage Change Avg Gallons (Col B Ln 1 + Cot B Ln 2 + 2)	Customers 4,726 4,750 24 0.51%	Total Gallons Sold 3,077,899 3,065,644 (12,255) -0.40%	Gallons Sold Per Cust. 651.27 645.40 (6)							
~ 8		Average	Estimated	Estimated				!	Fixed Increment	ement	
6		Customers at	Customers at	Average	Monthly	Minimum	Equivalent			Monthly	설
2 :	Meter Size	Dec. 2007	Dec. 2008	Customers 2.396	MINIMUM 24.34	Multiples 1.0	<u>Meters</u> 2.396	Monthly Base	S 56.432	<u>vererred</u> \$ 0.3	0.39
- 2	3/4-inch	32	32	32		1.0	33	2.03		•	0.41
13	1-Inch	2,019	2,029	2,024	40.60	1.7	3,376	3.27	79,519	_	0.66
4 ,	1.5-Inch	75	75	75	81.98	6. n	253	6.61	5,965	•	1.32
. t	2-inch 3-inch	797	23	23	242.09	r 6.	229	19.52	5.401	• ()	3.91
1 2	4-Inch	-	· -	-	402.85	16.6	17	32.48	391	9	6.51
18	6-Inch	ις.	S	ro.	806.97	33.2	166	65.07	3,914	13	13.03
<del>2</del> 5											
7 2											
22	Total .	4,812	4,836	4,824		ı	7,908		\$ 186,244		
23				Minimum	Commodity						
	Calculation of Base Step 2 Surcharge			Surcharge	Surcharge						
26 27	Total costs to be recovered (Sch. 5 Col A Ln 16) Monthly Minimum Revenue (Col B Ln 26 + 2)		\$ 372,488	\$ 186,244							
28	Commodity Revenue (Col B Ln 26 + 2)				\$ 186,244						
	Monthly Increment Per Equivalent Meter Equivalent Meters (Col F Ln 22 × 12 Months)			94,893							
33	Minimum Surcharge (Ln 27 + Ln 31)		•	\$ 1.96							
34			-		3 074 779						
36	Avelage Gallons (Col o Ell s)				11111111111						
37	Commodity Surcharge (Ln 28 + Ln 35)			Ja	\$ 0.0606						
38 39				Minimum	Commodity						
	Calculation of Deferred O&M Surcharge			Surcharge	Surcharge						
4 <del>4</del> 2	Total deferred O&M costs to be recovered (Sch. 5 Col A Ln 8) Monthly Minimum Revenue (Col B Ln 41 + 2)		\$ 74,593	\$ 37,296							
£ :	Commodity Revenue (Col B Ln 41 + 2)				\$ 37,296						
44 45 7	Monthly Increment Per Equivalent Meter										
	Equivalent Meters (Col F Ln 22 × 12 Months)			94,893							
4 4 8	Minimum Surcharge (Ln 42 + Ln 46)			\$ 0.39							
5 49	Average Gallons (Col B Ln 5)				3,071,772						
22				•							
52	Commodity Surcharge (Ln 43 + Ln 50)			4	\$ 0.0121						

Arizona-American Water Co., Inc. Docket # W-01303A-05-00405 Docket # W-01303A-05-0910 Page 1

#### MEMORANDUM

DATE

August 18, 2008

TO:

Gerald Becker

Public Utility Analyst V

FROM:

Dorothy Hains, P. E.

Utilities Engineer

RE:

ACRM Step Two Application for Arizona American Water Company,

Inc. - Paradise Valley District

Docket No. W-01303A-05-0405 & Docket No. W-01303A-05-0910

#### Background

In Decision No. 68858 (issued on July 26, 2006) the Arizona Corporation Commission ("ACC" or "Commission") approved an Arsenic Cost Recovery Mechanism ("ACRM") for Arizona-American Water Company - Paradise Valley District ("Company or "PV"). In Decision No. 69396 (issued on March 22, 2007), the Commission approved the ACRM Step I surcharge tariff for PV. On March 13, 2008, the Company filed for the ACRM Step II surcharge tariff application for PV.

ACC Staff ("Staff") performed an inspection of the PV system on August 14, 2008. Staff observed that additional plant improvements had been installed since its previous inspections on March 12, 2007 and January 18, 2007. During the period of March 2007 to August 2008 the Company completed construction of 1) a stone block fence with security gates at the PV arsenic treatment plant, 2) an on-site storm water drainage system, 3) sound barriers in the blower building, 4) sound barriers in a building which houses the pump station and, 5) sound barriers in a building which houses the sludge press.

Staff concludes that all capital improvements associated with the ACRM Step II surcharge have been completed and were in-service at the time of Staff's inspection.

#### Cost Analysis

In the application the Company reported a total construction cost of \$2,587,299 for purposes of establishing the Step II surcharge amount. Staff recommends two adjustments to the Company's total construction cost. The first adjustment is to remove \$38,012 from four accounts as presented in the table below because this construction is not related to construction of the subject arsenic treatment plant. The second adjustment is to reclassify \$368,440 from Transmission and Mains (Account No. 331) to Structure

Arizona-American Water Co., Inc. Docket # W-01303A-05-00405 Docket # W-01303A-05-0910

Page 2

Improvements (Account No. 304). The Company has indicated to Staff that it is in full agreement with these adjustments. Presented in the following table are itemized plant descriptions, costs and Staff's recommended adjustments and total construction cost.

Acct	Description	Co.'s	Co.'s	Co.'s Total	Staff	Staff	Staff's
#		Original	Allocated	Step II Cost (\$)	Recommended	Adjustm	Recomme
		Filing	engineer &		Reclassifation <sup>2</sup>	ent (\$)	nded
		Total Cost	design cost				Total
		(\$)	(\$) <sup>1</sup>				Cost (\$)
	Engineer & design	(5,216,549)					
304	Structure & Improvement	4,867,902	(3,996,845)	1,613,911	368,440	$(747)^{1}$	1,981,605
310	Power Producing Equipment	130,236	(87,058)	43,179		,	43,179
311	Pumping Equipment	190,399	(127,274)	63,125			63,125
320	Water Treatment Equipment	1,246,051	(832,933)	413,118		$(7,079)^2$	406,039
330	Reservoir & Standpipe	117,118	(78,289)	38,830			38,830
331	Transmissions & Mains	1,111,295	(742,855)	368,440	(368,440)		
339	Other Plant & Equipment	2,694	(1,801)	893			893
340	Office furniture & equipment	0		'			
343	Tools, Shop & Garage	19,369	(12,947)	6,422		$(2,855)^3$	3,567
344	Laboratory Equipment	1,633	(1,091)	541			541
346	Communication Equipment	117,152	(78,311)	38,841		$(27,333)^4$	11,508
	Total	2,587,299	(5,216,549)	2,587,299	0	(38,012)	2,549,287

- Notes: 1. \$747 was paid for installation of sensors to restroom doors in the office building.
  - 2. \$7,079 was paid to M P Environmental Service for hauling wastewater to City Scottsdale Wastewater Treatment Plant and other wastewater disposal sites.
  - 3. \$ 2,206 was paid to UFirst Laundry Services for uniform rental, and \$649 was paid to Cabela's Retail for a gun safety container.
  - 4. \$26,727 was paid to Emerson Process Management for its work on Well #11, Well #12 and Miller Rd TCE Treatment Plant. \$606 was a monthly bill paid to Qwest for July 2006 service.

#### **Summary**

#### Recommendations

Staff recommends that \$2,549,287 be used as the total capital cost in calculating 1. the appropriate ACRM Step II surcharge amount.

<sup>&</sup>lt;sup>1</sup> Plant allocation factors were provided by the Company.

<sup>&</sup>lt;sup>2</sup> \$368,440 in the Transmission and Mains (Account 331) were reclassified to Structure Improvements (Account 304).

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1	BEFORE THE ARIZONA C	ORPORATION COMMISSION
2	MIKE GLEASON Chairman	
3	WILLIAM A. MUNDELL	
4	Commissioner JEFF HATCH-MILLER	
5	Commissioner KRISTIN K. MAYES	
6	Commissioner GARY PIERCE Commissioner	
7		
8	IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER	DOCKET NOS. W-01303A-05-0405 W-01303A-05-0910
9	COMPANY, TO IMPLEMENT STEP TWO OF ITS ACRM FOR ITS PARADISE	)
10	VALLEY WATER DISTRICTS	ORDER
11		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
12	O Marting	-/
13 14	Open Meeting September 23 and 24, 2008 Phoenix, Arizona	
15	BY THE COMMISSION:	
16	<u>FINDIN</u>	GS OF FACT
17	A. <u>Introduction</u>	
18	1. Pursuant to Decision No. 6885	8, Arizona-American Water Company ("Company",
19	"Applicant" or "AAW") filed an application	on May 15, 2007, with the Arizona Corporation
20	Commission ("Commission") requesting auth	orization to implement Step Two of its Arsenic Cost
21	Recovery Mechanism ("ACRM").	
22	2. The monthly arsenic surcharge	per customer was established to aid the Company in
23	its efforts to comply with the Environmental	Protection Agency's ("EPA") new arsenic maximum
24	contaminant level of 10 particles per billion (	'ppb") which went into effect on January 23, 2006.
25	3. The United States Environmen	ntal Protection Agency ("EPA") reduced the drinking
26	water standard for arsenic from 50 parts per b	illion ("ppb") to 10 ppb effective January 23, 2006.
27	4. Pursuant to Decision No. 68	858, Arizona-American Water Company filed the

required schedules for Commission approval prior to the implementation of the ACRM.

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#### **Background** B.

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- On June 3, 2005, AAW filed an application for rate increases for its Paradise Valley system and for approval of an agreement with the Paradise Valley Country Club. In this application, the Company sought and was granted authority to implement an Arsenic Cost Recovery Mechanism ("ACRM").
- On July 28, 2006, the Commission issued Decision No. 68858 granting AAW the 6. authority to implement an ACRM. The Decision also required AAW to file certain schedules to support its ACRM charges and that AAW file a full rate application no later than September 30, 2008.<sup>1</sup>
- On December 19, 2006, AAW filed an application to implement Step-One of its 7. ACRM. On February 14, 2007, AAW filed a revised application for its Step-One surcharge. On March 22, 2007, the Commission issued Decision No. 69396 granting AAW the authority to implement Step-One of its ACRM.
- The Step-One surcharge added \$14.84 to the monthly customer charge for a 8. customer with a 5/8-inch meter and \$.4534 per 1,000 gallons to the commodity rate. The Step-One surcharge increased the average residential customer bill by approximately \$34.11 from \$74.88 to \$108.98 (45.6 percent). These monthly billing amounts include the PS surcharge authorized in Decision No. 68858.
- On March 13, 2008, AAW filed an application to implement Step-Two of its 9. ACRM. This application seeks to recover eligible arsenic related O&M costs and additional arsenic related plant in service not being recovered in the existing Step-One surcharge.
- On August 27, 2008, the Commission amended Decision No. 68858 to reduce the 10. High Block Usage surcharge from \$2.15 per thousand gallons to \$1.00 per thousand gallons and to reset the Public Safety Fire Flow surcharge from \$1.00 per thousand gallons to zero, effective on September 1, 2008. Since these surcharges are recorded as Contributions In Aid of

On May 1, 2008, the Company filed a rate application for 10 of its systems including Paradise Valley, using a test year ending December 31, 2007.

Construction, their reductions have an impact on customer bills but do not affect revenues to the Company.

# C. Company's Current Application

11. In its present application, AAW requests a Step-Two ACRM surcharge which would add \$2.41 to the monthly customer charge for a 5/8-inch meter and \$0.0747 per 1,000 gallons to the commodity rate for all of its Paradise Valley customers. Of the \$2.41 to be added to the monthly customer charge, \$2.02 per month is to fund the additional arsenic related plant since the implementation of the Step-One ACRM and \$0.39 per month is to fund the recovery of deferred, arsenic related O&M expenses incurred for 12 months beginning with the operation of the arsenic remediation. Of the \$.0747 per 1,000 gallons to be added to the commodity rate, \$.0625 per thousand gallons is to fund the additional arsenic related plant since the implementation of the Step-One ACRM and \$0.0121 per thousand gallons is to fund the recovery of deferred, arsenic related O&M expenses incurred for 12 months beginning with the operation of the arsenic related O&M expenses incurred for 12 months beginning with the operation of the arsenic remediation.

- 12. Under the Company's proposal, the average residential customer bill (with usage of 42,500 gallons) would increase by approximately \$5.60 from \$108.98 to \$114.58 (5.1 percent). Adding the Step-Two amounts to the Step-One amounts approved by Decision No. 69396 means that total ACRM surcharge will add \$17.25 to the monthly customer charge for a 5/8-inch meter and \$.5281 per 1,000 gallons to the commodity rate for all of its Paradise Valley customers.
- 13. If this application is approved, it will include recovery of deferred O&M expenses which will cease after the 12 month recovery period. At the end of the 12 month period, the average monthly bill will decrease by \$.90 from \$114.58 to \$113.68 (0.8 percent). This reflects decreases of \$.39 per month for a 5/8-inch meter and \$.0121 per thousand gallons related to the recovery of deferred O&M expenses.
- D. <u>Authorization for an Arsenic Cost Recovery Mechanism (Decision Nos. 68858 and 69396)</u>
- 14. Decision No. 68858 conditioned approval of an ACRM surcharge on the following criteria:

Decision No.

AAW shall file certain schedules show the actual cost of construction of arsenic related facilities. In addition, the projected rate of return with the ACRM may not exceed authorized levels. Such schedules include an earnings test in support of the ACRM.

- b. AAW shall also file, by July 1 of each year in which it collects surcharges, a report with Docket Control showing the Company's capital structure as of each month end in the prior calendar year.
- c. AAW shall file a full rate application no later than September 30, 2008.
- d. AAW shall apply all ACRM surcharges on a volumetric basis and equally to all usage tiers.
- Decision No. 69396 granted approval of Step-One of the ACRM surcharge that was 15. provided for in Decision No. 68858 as discussed above. While Decision No. 69396 approved the Step-One surcharge, it did not add any additional conditions that were not specified in Decision No. 68858.

#### Staff's Analysis E.

#### **ACRM Schedules**

- The Company's ACRM Step-Two filing includes the following ten schedules: 16.
  - Balance Sheet as of December 31, 2007.
  - Income Statement period ending December 31, 2007.
  - Income Statement Adjustments (Earnings Test) to conform to Decision No. 68858.
  - d. Rate Review a rate review filing for district.
  - e. Arsenic Revenue Requirement an arsenic revenue requirement calculation for Step-Two.
  - Surcharge Calculation a detailed surcharge calculation for the district.
  - Rate Base a schedule showing the elements and the calculation of the rate base, including the deduction for Arsenic Impact Fee Contributions as of December 31, 2007.
  - h. Construction Work In Progress ("CWIP") Ledger a ledger showing the construction work in progress account.
  - Four Factor Allocation a schedule showing the allocation factors to be used for expense allocation. The "four factors" include ratios of each system's Plant in Service, General Metered Customers, Salaries and Wages, and Direct O&M,

Decision No.	

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excluding labor, as they relate to the total for all systems. A schedule showing the allocation of common plant and based on the relative customer counts is also included in the application.

j. Typical Bill Analysis – ACRM Step 2 – A typical bill analysis showing the effects on residential customers at the average residential usage of at 42,500 gallons for Paradise Valley customers.

The above schedules provide for the calculation of a surcharge based on financial records and an Earnings Test Schedule to limit the ACRM Step-Two revenue to an amount that would not result in a rate of return exceeding the rate authorized in Decision No. 68858.

#### Filing Requirements Compliance

Staff does not note any deficiencies related to the Company's ACRM filing.

- 17. Staff concluded that the filed schedules conform to the requirements of Decision No. 68858.
- 18. Staff concluded that the ACRM schedules provide for the calculation of a surcharge based on financial records and an Earnings Test Schedule that limit the ACRM surcharge revenue to an amount that would not result in a rate of return exceeding that authorized in Decision No. 68858.
- 19. Staff believes that the Company has adequately supported the amounts requested for O&M expenses. However, Staff has made adjustments and reclassification to the Company's ACRM plant. Thus, the incremental Step-Two plant and associated rate base has been reduced, and depreciation expense has been adjusted accordingly, as described below.
- 20. Neither Decision No. 68858 nor Decision No. 69396 prohibits the recognition of additional arsenic related plant subsequent to the implementation of Step-One, as argued by the Residential Utility Consumers Office ("RUCO").
- 21. Arizona-American Company has already complied with the requirement to file permanent rate applications for its Paradise Valley District no later than September 30, 2008.

### F. Staff's Adjustments to Company Schedules:

- 22. Staff recommends adjustments to the Company's schedules to remove some O&M amounts that were included in ACRM plant, to re-classify some plant items and to apply depreciation rates that are more accurate, and to adjust accumulated depreciation to reflect the depreciation expense approved in the Step-One ACRM surcharge in Decision No. 69396. These adjustments are shown on the attached schedules GWB-1 and GWB-2 and have the net effect of reducing revenue requirements by \$11,729 from the Company's proposed amount of \$384,217 to \$372,488.
- 23. Staff recommended adjustments on Schedules GWB-2 and GWB-3 would reduce the revenue requirement by \$11,729. The calculation of surcharges using Staff's revenue requirements is shown on GWB-4.
- Using Staff's recommended revenue requirement, the average residential customer bill would increase by approximately \$5.44 from \$108.98 to \$114.42 (5.0 percent). Supplanting the previously approved Step-One amounts of \$14.84 per month for a 5/8-inch meter and \$0.4534 per thousand gallons, the Step-Two surcharge would be \$17.19 per month for a 5/8 inch meter and \$0.5140 per thousand gallons.
- 25. This 5.0 percent increase would be in addition to the effect of previously approved Step-One surcharge which increased the average residential bill by \$34.11 from \$74.88 to \$108.98 (45.6 percent). The total cumulative effect of Step-Two on the average residential bill is an increase of \$39.54 from \$74.88 to \$114.42 (52.8 percent).
- 26. If this application is approved using Staff's recommended rates, it will include recovery of deferred O&M expenses which will cease after the 12 month recovery period. At the end of the 12 month period, the average monthly bill would then decrease by \$.90 from \$114.42 to \$113.52 (0.8 percent) which reflects decreases of \$.39 per month for a 5/8-inch meter and \$.0121 per thousand gallons related to the recovery of deferred O&M expenses.
- 27. Staff also has concerns with the Company's presentation and description of the underlying surcharges and the deferred O&M expenses. In its filings, the Company continues to

describe the surcharges previously authorized as a Step-One surcharge<sup>2</sup> when, in fact, Step-One surcharges are supplanted by and absorbed into the Step-Two surcharge. Staff recommends clarification to indicate that previously approved Step-One amounts are being supplanted by and absorbed into the Step-Two surcharge amounts and that only this surcharge will continue until the Company's next rate case.

- 28. Staff recommends further clarification regarding the recovery of deferred O&M expenses. Staff notes that the Company seeks recovery of deferred O&M as provided for in Decision No. 68858 but the supporting schedules in its present application do not clearly state that these amounts will cease at the end of a 12 month recovery period. If this application is approved, provision should be made so that the recovery of deferred O&M expenses cease after the 12 month recovery period.
- 29. As is also indicated on Schedule GWB-1, Staff recommends approval of a single permanent Step-Two ACRM surcharge that supplants and absorbs the previously approved Step-One ACRM surcharge and adds the costs for net incremental plant added subsequent to the Step-One filing and on-going, recoverable, and arsenic related O&M expenses to remain in effect until the effective date of new rates established in the pending rate case.
- 30. Staff also notes that the Company did not include invoices in an amount to provide complete support of the amount of O&M being requested. However, discussion with Company personnel indicated that the amount requested reflects issuances as opposed to purchases during the time period, and the Company has provided staff with adequate documentation to support issuances which, in turn, support the amount requested.

# G. RUCO's Adjustments to Company Schedules

31. RUCO filed a report on this case and recommends two adjustments. Citing Decision No. 68310 which was for Arizona-American Water Company but not for the Paradise Valley systems, RUCO states that incremental plant subsequent to the implementation of Step-One of the ACRM should not be recognized, per Decision No. 68310. RUCO also cites Decision No.

Decision No.	
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<sup>&</sup>lt;sup>2</sup> See Company filing of March 13, 2008, Schedule ACRM-5, Rows 22-28

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66400 which was for Arizona Water Company but does not specify which part of the application is not conforming with this Decision.

- 32. RUCO also recommends disallowing \$6,279 of O&M expenses. RUCO claims that of the \$6,279, \$6,187.83 represents amounts either not supported by invoices (\$5,390.75) or outside the 12 month deferral period (\$797.08). The remaining \$91.65 is due to a math error.
- 33. Staff believes thus Company has adequately supported the amounts requested for O&M expenses.
- 34. Further, neither Decision 68858 nor Decision No. 69396 prohibits the recognition of additional arsenic related plant subsequent to implementation of Step-One.

#### **CONCLUSIONS OF LAW**

- 1. The Company is a public water service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. 40-250 and 40-252.
- 2. The Commission has jurisdiction over the Company and of the subject matter of the application.
- 3. Approval of and arsenic cost recovery mechanism is consistent with the Commission's authority under the Arizona Constitution, Arizona ratemaking statutes, and applicable case law.
- 4. It is in the public interest to approve the Company's request for implementation of the ACRM.

#### **ORDER**

IT IS THEREFORE ORDERED that the application by Arizona-American Water Company for the implementation of Step-Two of the Arsenic Cost Recovery Mechanism for its Paradise Valley districts is approved as discussed herein.

IT IS FURTHER ORDERED that the application by Arizona-American Water Company for its Paradise Valley Districts for approval of an arsenic cost recovery mechanism surcharge tariff shall be in accordance with the attached ACRM Schedule GWB-1. As indicated on Schedule GWB-1, the rates thereon shall be reduced in accordance with the Commission amendment to

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Page 10

IT IS FURTHER ORDERED that Arizona-American Water Company shall file, by April 1 1st of each year subsequent to any year in which it collects surcharges under an ACRM, a report 2 with Docket Control, as a compliance item in this docket, showing the Company's ending capital 3 4 structure by month for the prior year. IT IS FURTHER ORDERED that this Decision shall become effective immediately. 5 6 BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION 7 8 9 CHAIRMAN 10 11 12 **COMMISSIONER** COMMISSIONER 13 14 15 16 17 18 BRIAN C. McNEIL 19 **EXECUTIVE DIRECTOR** 20 21 DISSENT: 22 DISSENT: 23 EGJ:GB:lhm\MAS 24 25 26 27

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Page 11 SERVICE LIST FOR: Arizona-American Water Company 1 DOCKET NOS. W-01303A-05-0405 and W-01303A-05-0910 2 3 Mr. Brent Wallace, Esq. Casa Grande City Attorney 4 City of Casa Grande Attorney's Office 510 East Florence Boulevard 5 Casa Grande, Arizona 85222 6 Mr. Daniel W. Pozefsky, Esq. 7 Residential Utility Consumer Office 1110 West Washington Street, Suite 220 8 Phoenix, Arizona 85007 9 Mr. Ernest G. Johnson 10 Director, Utilities Division Arizona Corporation Commission 11 1200 West Washington Street Phoenix, Arizona 85007 12 13 Ms. Janice M. Alward Chief Counsel, Legal Division 14 Arizona Corporation Commission 1200 West Washington Street 15 Phoenix, Arizona 85007 16 17 18 19 20 21 22 23 24 25 26

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Arizona-American Water Company - Paradise Valley
Docket Nos. W-01303A-05-0405 & W-01303A-05-0910
ACRM Step Two RESIDENTIAL (See Note Below)

Docket Nos. W-01303A-05-0405 & W-ACRM Step Two	u 130.	 	RESII	DENTIAL (	See Note Bel	ow)										
Decision No. 68858		Base		lic Safety	High Bracke	t D	ecision No.	68858								
	Ē	lates	<u>Su</u>	rcharge	Surcharge		Total								*	
Minimum 5/8" Meter	\$	9.50				\$		9.50								
Minimum 3/4" Meter	\$	9,83				\$		9.83								
Minimum 1" Meter	\$	15.85				\$		15.85								
Minimum 1 1/2" Meter	\$	32,00				\$		32.00								
Minimum 2" Meter	S	51.00				\$		51.00								
Minimum 3" Meter	Š	94.50				\$		94,50								
	Š	157.25				s		157.25								
Minimum 4" Meter	S	315.00				Š		315.00								
Minimum 6" Meter	4	\$15.00				•										
Commodity Rates, Per 1000 gallons	_					s		0.76								
0 to 25,000 gallons	\$	0.76	_	4.00				2.65								
25,001 to 80,000 gallons	\$	1.65		1.00		<b>.</b>		5.33								
80,001 gallons and over	\$	2.18	2	1.00	\$ 2.1	15 \$		3.33								
Decision No. 69396 ACRM Step One Surchage		Decision . 68858		RM Step 1 urcharge		C	ecision No <u>Tota</u>									
Maria - Elen Makas	\$	9.50	\$	14.84		\$	;	24.34								
Minimum 5/8" Meter		9.83	\$	15.35		S		25.18								
Minimum 3/4" Meter	\$		-	24.75		\$		40.60								
Minimum 1" Meter	\$	15.85	\$			\$		81.98								
Minimum 1 1/2" Meter	\$	32.00	\$	49.98		3		130.65								
Minimum 2" Meter	\$		\$	79.65				242.09								
Minimum 3" Meter	\$	94.50	\$	147.59		\$										
Minimum 4" Meter	\$		\$	245.60		\$		402.85								
Minimum 6" Meter	\$	315.00	\$	491.97		1	i	806.97			٠					
Commodity Rates, Per 1000 gallons																
0 to 25,000 gallons	\$	0.76	\$	0.4534		1	3	1.2134								
25,001 to 80,000 gallons	\$	2.65	S	0.4534		\$	;	3.1034								
80,001 gallons and over	S	5.33	s	0.4534		\$	;	5.7834								
00,00 / 9280/13 2/12 010.	•		-													
Pending Application - 12-months:										ecommer						A C+ 2
Company Proposed Rates	Per	Decision	ACF	RM - Step 2	ACRM - Ste	p 2	ACRM - S			ecision		RM - Step 2	ACKN	1 - Step 2	ACR	n - Step Z
Company Copania		o. 69396		n-going	12-month O	<u>8M</u>	12- month	Total	<u>No.</u>	69396		<u>On-going</u>	12-mc	onth O&M	12- m	onth lotal
			-													
Minimum 5/8" Meter	s	24.34	s	2.02	<b>s</b> 0.	39 9	5	26.75	\$	24.34	\$	1.96	\$	0.39	\$	26.69
	Š	25.18			-	40 5	S	27.67	\$	25.18	\$	2.03	5	0.40	\$	27.61
Minimum 3/4" Meter	\$	40.60	\$		•	65	-	44.62	\$	40.60	S	3,27	\$	0.65	\$	44.52
Minimum 1" Meter	-		\$				5	90,10	\$	81.98	5	6.60	\$	1.31	\$	89.89
Minimum 1 1/2" Meter	\$	81.98	-				\$	143.59	Š		S	10.52	S	2.09	\$	143.26
Minimum 2" Meter	\$	130.65	\$					266.06	s		Š	19.49		3.88	\$	265.46
Minimum 3" Meter	\$	242.09	\$	20.09			\$			402.85	\$	32.44	Š	6.45	Š	441,74
Minimum 4" Meter	\$	402,85	\$		-		5	442.74	\$				Š		Š	884.88
Minimum 6" Meter	\$	806.97	\$	66.97	\$ 12.	93	5	886.87	\$	806.97	Ф	04.50	•	12.30	•	00-7.00
Commodity Rates, Per 1000 gallons									_		_		_	0.0404		1.2861
0 to 25,000 gallons	\$	1.2134	\$	0.0625	\$ 0.01	21	\$	1.2880	\$	1.2134		0.0606	\$	0.0121	\$	
25,001 to 80,000 gallons	\$	3,1034	\$	0.0625	\$ 0.01	21	\$	3.1780	\$	3.1034		0.0606	\$	0.0121		3.1761
80,001 gallons and over	Š	5.7834		0.0625	\$ 0.01	21	\$	5,8580	\$	5.7834	\$	0.0606	\$	0.0121	\$	5.8561
60,001 galloris and over	•	0.700	•													
									Staff R	lecomme	nde	i Rates				
Comment Bear and Pater																M - Step 2
Company Proposed Rates	о.								Perl	Decision		RM - Step 2	ACR	VI - Step 2	ACR	
Pending Application - On-going				RM - Step 2	ACRM - Ste	eo 2	ACRM -	Step 2					ACRI 12-m	M - Step 2 onth O&M	АСR 12- п	onth Total
After 12 Months O&M Recovery					ACRM - Ste		ACRM -			Decision		RM - Step 2	ACR! 12-m	M - Step 2 onth O&M	АСК 12- п	onth Total
	7	r Decision lo. 69396		RM - Step 2 On-going	ACRM - Ste 12-month O		ACRM - On-or			Decision		RM - Step 2	ACRI 12-m	M - Step 2 onth O&M	АСР: 12- п	nonth Total
Adv b	4	lo. 69396		On-going	12-month O			ping		Decision <u>69396</u>	AC	RM - Step 2	ACRI 12-m	M - Step 2 onth O&M	АСК 12- п	26.30
Minimum 5/8" Meter	\$	<u>10. 69396</u> 24.34	\$	<u>On-qoing</u> 2.02	<u>12-month O</u>	<u>8M</u> -	<u>On-ac</u> \$	26.36	<u>No.</u> \$	Decision 69396 24.34	AC S	RM - Step 2 On-going 1.96	ACRI 12-m	M - Step 2 onth O&M	<u>12-                                    </u>	
Minimum 3/4" Meter	\$	0. 69396 24.34 25.18	\$ \$	<u>On-going</u> 2.02 2.09	12-month O	<u>-</u>	<u>On-or</u> \$ \$	26.36 27.27	<u>No.</u> \$ \$	Decision 69396 24.34 25,18	S S	RM - Step 2 On-going 1.96 2.03	ACR! 12-m	M - Step 2 onth O&M	<u>12-п</u> \$ \$	26.30 27.21
Minimum 3/4" Meter Minimum 1" Meter	\$ \$ \$	24,34 25,18 40,60	\$ \$ \$	On-going 2.02 2.09 3.37	12-month O	- - -	<u>On-od</u> \$ \$ \$	26.36 27.27 43.97	<u>No.</u> \$ \$ \$	24.34 25.18 40.60	\$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27	ACR! 12-m	M - Step 2 onth O&M	<u>12- п</u> \$ \$ \$	26.30
Minimum 3/4" Meter	\$	24.34 25.18 40.60 81.98	\$ \$ \$	On-going 2.02 2.09 3.37 6.80	12-month O \$ \$ \$ \$	- - -	On-qe \$ \$ \$ \$	26.36 27.27 43.97 88.78	<u>No.</u> \$ \$ \$ \$	24,34 25,18 40,60 81,98	\$ \$ \$ \$	1.96 2.03 3.27 6.60	ACRI 12-m	M - Step 2 onth O&M	<u>12- п</u> \$ \$ \$ \$	26.30 27.21 43.87 88.58
Minimum 3/4" Meter Minimum 1" Meter	\$ \$ \$	24,34 25,18 40,60	\$ \$ \$	2.02 2.09 3.37 6.80 10.84	12-month O  \$ \$ \$ \$ \$ \$ \$	- - - -	On-od \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49	<u>No.</u> \$ \$ \$ \$ \$	24,34 25,18 40,60 81,98 130,65	\$ \$ \$ \$ \$ \$	1.96 2.03 3.27 6.60 10.52	ACRI 12-m	M - Step 2 onth O&M	12- m \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter	\$ \$ \$ \$	24.34 25.18 40.60 81.98	\$ \$ \$ \$	On-going 2.02 2.09 3.37 6.80	12-month O \$ \$ \$ \$	- - - -	On-qu \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18	No. \$ \$ \$ \$ \$ \$	24,34 25,18 40,60 81,98 130,65 242,09	\$ \$ \$ \$ \$ \$ \$	1.96 2.03 3.27 6.60 10.52 19.49	ACR! 12-m	M - Step 2 onth O&M	12-n	26.30 27.21 43.87 88.58 141.17 261.58
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter	\$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65	\$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84	12-month O  \$ \$ \$ \$ \$ \$ \$		On-qu \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24,34 25,18 40,60 81,98 130,65 242,09 402,85	\$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44	ACRI 12-m	M - Step 2 onth O&M	12-n \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter	\$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09	\$ S S S S S S S S	2.02 2.09 3.37 6.80 10.84 20.09	12-month O  \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		On-qu \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18	No. \$ \$ \$ \$ \$ \$	24,34 25,18 40,60 81,98 130,65 242,09	\$ \$ \$ \$ \$ \$ \$ \$ \$	1.96 2.03 3.27 6.60 10.52 19.49	ACRI 12-m	M - Step 2 onth O&M	12-n	26.30 27.21 43.87 88.58 141.17 261.58
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter	\$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09	\$ S S S S S S S S	2.02 2.09 3.37 6.80 10.84 20.09 33.43	12-month O  \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		On-qu \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28	No.	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	ACRI 12-m	M - Step 2 onth O&M	12-m \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons	\$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43	12-month Q \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		On-qu \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24,34 25,18 40,60 81,98 130,65 242,09 402,85	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	ACRI 12-m	M - Step 2 onth O&M	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons	\$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97	12-month O  \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		On-qc \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94	No.	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	ACRI 12-m	M - Step 2 onth O&M	12-m \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons	* * * * * * * * * * * * * * * * * * *	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	On-going 2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625	12-month Q \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		On-ac \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759 3.1659	No.	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98	ACRI 12-m	M - Step 2 onth Q&M	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons	\$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97	12-month Q \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		On-qc \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606	ACRI 12-m	M - Step 2 onth O&M	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95 1.2740 3.1640
Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons	\$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 on amenda surcharge tiblic Safet ottember 1	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 cision No. 68 \$2.15 to \$1.00	12-month Q \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		On-ac \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759 3.1659	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606	12-m	M - Step 2 onth O&M	12-m \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95 1.2740 3.1640
Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 3" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Note: On August 27, 2008, the Commodity Rates thereby reducing the High Bracket Uper thousand gallons, and resetting to per thousand gallons to zero, effective rates should be adjusted accordingly for the pending application would be	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 on amenda surcharge tiblic Safet ottember 1	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 cision No. 68 \$2.15 to \$1.00	12-month Q  \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	&M - - - - - - -	On-ac \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759 3.1659	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606	12-m	onth Q&M	12-II \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95 1.2740 3.1640
Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Note: On August 27, 2008, the Commithereby reducing the High Bracket U per thousand gallons, and resetting the per thousand gallons to zero, effective rates should be adjusted accordingly for the pending application would be: Commodity Rates, Per 1000 gallons	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 on amenda surcharge blic Safet ptember 1 ce, the ad	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 cision No. 68 \$2.15 to \$1.	12-month Q \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	&M - - - - - - -	On-as	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759 3.1659 5.8459	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	S S S S S S S S S S S S S S S S S S S	RM - Step 2 On-going 1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606	12-m	onth Q&M	12-II \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95 1.2740 3.1640
Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 80,001 gallons and over  Note: On August 27, 2008, the Commithereby reducing the High Bracket U per thousand gallons, and resetting to per thousand gallons to zero, effective rates should be adjusted accordingly for the pending application would be:  Commodity Rates, Per 1000 gallons 0 to 25,000 gallons	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 en amende surcharge thickness afet bit cafet the ad	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 cision No. 68 \$2.15 to \$1.45 charge from \$3.45 d commodity 0.0625	12-month Q \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	&M	On-ad	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759 5.8459	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	AC	1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0506 0.0506	Amer	ndment 8/27/2008	12-II \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95 1.2740 3.1640 5.8440
Minimum 3/4" Meter Minimum 1" Meter Minimum 1" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 6" Meter Minimum 6" Meter Commodity Rates, Per 1000 gallons 0 to 25,000 gallons 25,001 to 80,000 gallons 80,001 gallons and over  Note: On August 27, 2008, the Commithereby reducing the High Bracket U per thousand gallons, and resetting the per thousand gallons to zero, effective rates should be adjusted accordingly for the pending application would be: Commodity Rates, Per 1000 gallons	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834 on amenda surcharge blic Safet ptember 1 ce, the ad	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.02 2.09 3.37 6.80 10.84 20.09 33.43 66.97 0.0625 0.0625 0.0625 cision No. 68 \$2.15 to \$1.	12-month Q \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	&M - - - - - - -	On-ad	26.36 27.27 43.97 88.78 141.49 262.18 436.28 873.94 1.2759 3.1659 5.8459	No. \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	24.34 25.18 40.60 81.98 130.65 242.09 402.85 806.97 1.2134 3.1034 5.7834	AC	1.96 2.03 3.27 6.60 10.52 19.49 32.44 64.98 0.0606 0.0606	Amer 5 \$	onth Q&M	12-III \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	26.30 27.21 43.87 88.58 141.17 261.58 435.29 871.95 1.2740 3.1640 5.8440

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Arizona-American Water Company - Paradise Valley

Arizona-American Water Company - P Docket Nos. W-01303A-05-0405 & W ACRM Step Two		3A-05-091		MERCIAL (	See I	Note Below)										
Decision No. 68858		Base Rates		ic Safety charge		n Bracket rcharge	Dec	ision No. 68858 Total								
Minimum 5/8" Meter	\$	9,50	<u> </u>	Circl QC	<u> </u>		\$	9.50								
Minimum 3/4" Meter	\$	9.83					\$	9.83								
Minimum 1" Meter	\$	15.85					\$	15.85								
Minimum 1 1/2" Meter	\$	32.00					\$	32.00								
	\$	51.00					\$	51.00								
Minimum 2" Meter	\$	94.50					\$	94.50								
Minimum 3" Meter	-	157.25					\$	157.25								
Minimum 4" Meter	\$						\$	315.00								
Minimum 6" Meter	\$	315.00					3	313.00		,						
Commodity Rates, Per 1000 gallons								1.27								
0 to 400,000 gallons	\$	1.27	_				\$	4.71								
400,001 gallons and over	\$	1.56	\$	1.00	•	2.15	3	4.71								
Decision No. 69396 ACRM Step One Surcharge		Decision 5, 68858		M Step 1			De	cision No. 69396 <u>Total</u>								
Minimum 5/8" Meter	\$	9.50	\$	14.84			\$	24.34								
Minimum 3/4" Meter	\$	9.83	\$	15.35			\$	25.18								
Minimum 1" Meter	5	15.85	\$	24.75			\$	40.60								
Minimum 1 1/2" Meter	Š	32.00	\$	49.98			\$	81.98								
Minimum 2" Meter	Š	51.00	\$	79.65			\$	130.65								
Minimum 3" Meter	\$	94.50	\$	147.59			\$	242.09								
Minimum 4" Meter	Š	157.25	•	245.60			\$	402.85								
Minimum 6" Meter	\$	315,00	\$	491.97			\$	806.97								
Commodity Rates, Per 1000 gallons	•		-													
0 to 400,000 gallens	\$	1.27	\$	0.4534			\$	1.7234				•				
400,001 gallons and over	\$	4.71		0.4534			\$	5.1634								
									Ctaff	Recommend	ad B	ates				
Pending Application - 12-months		r Decision o. 69396		M - Step 2 n-going		M - Step 2 nonth O&M		ACRM - Step 2 2- month Total	Pe	er Decision lo. 69396	ACF	RM - Step 2 On-going				RM - Step 2 month Total
NA'	s	24.34	•	2.02	8	0.39	s	26.75	s	24.34	\$	1.96	\$	0.39	\$	26.69
Minimum 5/8" Meter	S	25.18	Š		Š	0.40	-	27.67	Š		\$	2.03	\$	0.40	\$	27.61
Minimum 3/4" Meter	-	40.60	S	3.37			\$	44.62	Š	40.60	-	3.27	s	0.65	\$	44.52
Minimum 1" Meter	\$	81.98	3 5		5	1.31		90.10	Š		Š	6.60	Š			89,89
Minimum 1 1/2" Meter	Ş		S	10.84	-	2.09		143.59	š	130.65			Š	2.09		143.26
Minimum 2" Meter	\$	130.65	-	20.09		3.88		266.06	š	242.09		19.49	Š	3.88		265.46
Minimum 3" Meter	\$	242.09	\$	33.43			Š	442.74	Š		Š	32.44	\$		Š	441.74
Minimum 4" Meter	\$	402.85	\$			12.93		886.87	Š	806.97		64.98		12.93		884,88
Minimum 6" Meter	\$	806.97	\$	66.97	4	12.53		000.07	•	000.01	•	0 1.00	•	14	•	,
Commodity Rates, Per 1000 gallons	_	4 700 4	_	0.0005		0.0121		1,7980	s	1.7234	\$	0.0606	s	0.0121	s	1.7961
0 to 400,000 gallons	\$	1.7234	S	0.0625 0.0625		0.0121		5.2380	Š	5.1634		0.0606		0.0121		5.2361
400,001 gallons and over	\$	5.1634	J	0.0023	•	0.0121	•	0.2000	•		•		•			
a Burney d Buter										f Recomment er Decision		Rates RM - Step 2	ACR	M - Step 2	ACI	RM - Step 2
Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery		er Decision to. 69396		RM - Step 2 In-going		RM - Step 2 month O&M		ACRM - Step 2 On-going		No. 69396		On-going				month Total
ALLE IS MOUNTS OWN NECOTORY	- 2		4										_		_	
Minimum 5/8" Meter	\$	24.34	\$	2.02	\$	-	\$	26.36	\$	24.34	-	1.96	•	-	5	26.30
Minimum 3/4" Meter	\$	25.18	5	2.09	\$	-	\$	27.27	\$	25.18		2.03	\$	•	\$	27.21
Minimum 1" Meter	\$	40.60	\$	3.37	\$	-	\$	43.97	\$	40.60		3.27		•	\$	43.87
Minimum 1 1/2" Meter	\$	81.98	\$	6.80	\$	•	\$	88.78	\$	81.98		6.60	\$	•	5	88.58
Minimum 2" Meter	\$	130.65	\$	10.84	\$	•	\$	141.49	\$	130.65		10.52		•	\$	141.17
Minimum 3" Meter	\$	242.09	\$	20.09		-	\$	262.18	\$	242.09		19.49	\$	•	S	261.58
Minimum 4" Meter	\$	402.85	\$	33.43	\$	-	\$	436.28	\$	402.85		32.44		•	\$	435.29
Minimum 6" Meter	\$	806.97	\$	66.97	\$	•	\$	873.94	\$	806.97	\$	64.98	\$	•	\$	871.95
Commodity Rates, Per 1000 gallons													_		_	4 ==
0 to 400,000 gallons	\$	1.7234	\$	0.0625	\$	-	\$	1.7859	\$	1.7234		0.0606		-	\$	1.7840
400,001 gallons and over	\$	5.1634	\$	0.0625	\$	-	\$	5.2259	\$	5.1634	\$	0.0606	\$	-	\$	5.2240
•																
Note: On August 27, 2008, the Comi thereby reducing the High Bracket U per thousand gallons, and resetting to per thousand gallons to zero, effective rates should be adjusted accordingly	isage : the Pu ve Sep	surcharge ublic Safety ptember 1,	from surci 2008	\$2,15 to \$1. narge from \$ . All of the a	00 \$1.00 above	•										
for the pending application would be						endment							Ame	ndment		
					FULL	8/27/2008	3						,	8/27/2008	3	
Commodity Dates Des 1000 ac"	,					,,2000										
Commodity Rates, Per 1000 gallons		1 722	4	0.0625	<b>5</b> \$		\$	1.7859		1.7234	ļ	0.0606	<b>S</b>	-	\$	1.7840
0 to 400,000 gallons		1.723		0.062		(3.15				5.1634		0.0606		(3.15		2.0740
400,001 gailons and over		5.163	•	V.U021		(5.10	, •	2.0.00					-	<b>,</b>		

GWB-1 Page 3 of 5

Arizona-American Water Company - Pa Docket Nos. W-01303A-05-0405 & W- ACRM Step Two			10 PV 0	COUNTRY C	LUB	(CONTRAC	TR	ATE) (See Note Below)								
Decision No. 68858		Base		blic Safety		h Bracket	De	ecision No. 68858								
Minimum 6" Meter	s	Rates 267.75	<u>s</u>	urcharge	<u>St</u>	urcharge	\$	<u>Total</u> 267.75								
Commodity Rates, Per 1000 gallons	-															
0 to 25,000,000 gallons 25,000,001 gallons and over	\$ \$	0.85 0.85	\$	0.85	\$	1.8275	\$ \$	0.85 3.5275								
25,000,001 gallons and over	Ψ	0.00	•	0.00	•	7.02.	•									
Decision No. 59396 ACRM Step One Surcharge		r Decision o. 68858		RM Step 1 urcharge			De	ecision No. 68858 <u>Total</u>								
Minimum 6" Meter	\$	267.75	\$	418.17			\$	685.92								
Commodity Rates, Per 1000 gallons 0 to 25,000,000 gallons	\$	0.85	\$	0.3854			\$	1.24								
25,000,001 gallons and over	\$	3.53	\$	0.3854			\$	3.91								
									Staff !	Recommend	led R	ates				
Pending Application - 12-months		r Decision o. 69396		RM - Step 2 On-going		RM - Step 2 month O&M		ACRM - Step 2 12- month Total		r Decision o. 69396		RM - Step 2 On-going		RM - Step 2 month O&M		
Minimum 6" Meter	\$	685.92	\$	56.92	\$	10.99	\$	753.83	\$	685.92	\$	55.23	\$	10.99	\$	752.14
Commodity Rates, Per 1000 gallons		1.24	\$	0.0531	œ	0.0103	s	1.30	\$	1.24	s	0,0515	\$	0.0103	\$	1,30
0 to 25,000,000 gallons 25,000,001 gallons and over	\$ \$	3.91	-	0.0531		0.0103	\$	3.98	\$	3.91		0.0515		0.0103		3.97
												4				
Company Proposed Rates Pending Application - On-going	Pe	r Decision	AC:	RM - Step 2	ACF	RM - Step 2		ACRM - Step 2		Recommend r Decision			ACF	RM - Step 2	AC	RM - Step 2
After 12 Months O&M Recovery		o. 69396		On-going		nonth O&M		On-going	<u>N</u>	o. 69396	9	On-going	<u>12-r</u>	month O&M	<u>12-</u>	month Total
Minimum 6" Meter	s	685.92	\$	56.92	\$		\$	742.84	\$	685.92	\$	55.23	\$	•	\$	741.15
Commodity Rates, Per 1000 gallons	•	1.2354	\$	0.0531	•		\$	1.2885	\$	1,2354	\$	0.0515	\$		\$	1,2869
0 to 25,000,000 gallons 25,000,001 gallons and over	\$ \$	3.9129		0.0531		-	\$	3.9660	\$	3.9129		0.0515		-	\$	3.9644
Note: On August 27, 2008, the Comm thereby reducing the High Bracket Us- per thousand gallons, and resetting th per thousand gallons to zero, effective pays 85 percent of the Commercial su gallons for Public Safety surcharge ar Bracket Usage surcharge. Hence, th	age s e Pu e Sep ircha nd \$1	surcharge to blic Safety otember 1, rge, the re .8275 per	from surc 2008 ductions thous	\$2.15 to \$1.0 harge from \$ i. Since the ons are \$.85 and gallons	30 61.00 Coun per ti for th	housand	ı						Ame	endment 8/27/2008		
Commodity Rates, Per 1000 gailons						012112000	•			-					_	
0 to 25,000,000 gallons 25,000,001 gallons and over	\$ \$	1.2354 3.9129		0.0531 0.0531	\$	(2.68)	\$		\$ \$	1.2354 3.9129		0.0515 0.0515	-	(2.6775)	\$	1,2869 1,2869

Decision No.	
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Arizona-American Water Company - Paradise Valley
Docket Nos. W-01303A-05-0405 & W-01303A-05-0910
ACRM Step Two PV TURF CUSTOMERS

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Decision No. 68858		Base Rates		olic Safety urcharge	High Bracket Surcharge	Decis	sion No. 68858 Total
Minimum 5/8" Meter	\$	9.50	<u> </u>	a or (a) g=	4	\$	9.50
Minimum 3/4" Meter	\$	9.83				\$	9.83
Minimum 1" Meter	\$	15.85				\$	15.85
Minimum 1 1/2" Meter	\$	32.00				Š	32.00
Minimum 2" Meter	\$	51.00				\$	51.00
Minimum 3" Meter	\$	94.50				ě	94.50
Minimum 4" Meter	\$	157.25				\$	157.25
Minimum 6" Meter	\$	315.00				Š	315.00
,	•	313.00				Ψ	310.00
Commodity Rates, Per 1000 gallons	\$	1.00				\$	1.00
ALL Gallons	Þ	1,00				Φ	1.00
Decision No. 69396 ACRM Step One Surcharge		r Decision o. 68858		RM Step 1 urcharge		Decis	sion No. 68858 <u>Total</u>
				•		Deci:	
ACRM Step One Surcharge	<u>N</u>	o. 68858	S	urcharge			<u>Total</u>
ACRM Step One Surcharge  Minimum 5/8" Meter  Minimum 3/4" Meter	N	o. 68858 9.50	<u>S</u>	urcharge 14.84		\$	<u>Total</u> 24.34
ACRM Step One Surcharge Minimum 5/8" Meter	\$ \$	9.50 9.83	\$ \$	urcharge 14.84 15.35		\$ \$ \$	<u>Total</u> 24.34 25.18
ACRM Step One Surcharge  Minimum 5/8" Meter  Minimum 3/4" Meter  Minimum 1" Meter	\$ \$ \$	9.50 9.83 15.85	\$ \$ \$	14.84 15.35 24.75		\$ \$ \$ \$	Total 24.34 25.18 40.60
ACRM Step One Surcharge  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter	\$ \$ \$	9.50 9.83 15.85 32.00	\$ \$ \$ \$	14.84 15.35 24.75 49.98		\$ \$ \$ \$ \$ \$	<u>Total</u> 24.34 25.18 40.60 81.98
ACRM Step One Surcharge Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter	\$ \$ \$ \$	9.50 9.83 15.85 32.00 51.00	\$ \$ \$ \$ \$	14.84 15.35 24.75 49.98 79.65		\$ \$ \$ \$ \$ \$ \$ \$	Total  24.34 25.18 40.60 81.98 130.65
ACRM Step One Surcharge  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 2" Meter Minimum 4" Meter Minimum 4" Meter	\$ \$ \$ \$ \$	9.50 9.83 15.85 32.00 51.00 94.50	<u>S</u>	14.84 15.35 24.75 49.98 79.65 147.59		\$ \$ \$ \$ \$ \$	Total  24.34 25.18 40.60 81.98 130.65 242.09
ACRM Step One Surcharge  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter	\$ \$ \$ \$ \$ \$	9.50 9.83 15.85 32.00 51.00 94.50 157.25	<u>Si</u>	14.84 15.35 24.75 49.98 79.65 147.59 245.60		\$ \$ \$ \$ \$ \$ \$ \$	Total  24.34 25.18 40.60 81.98 130.65 242.09 402.85
ACRM Step One Surcharge  Minimum 5/8" Meter Minimum 3/4" Meter Minimum 1" Meter Minimum 1 1/2" Meter Minimum 2" Meter Minimum 3" Meter Minimum 4" Meter Minimum 4" Meter Minimum 6" Meter	\$ \$ \$ \$ \$ \$	9.50 9.83 15.85 32.00 51.00 94.50 157.25	<u>Si</u>	14.84 15.35 24.75 49.98 79.65 147.59 245.60		\$ \$ \$ \$ \$ \$ \$ \$	Total  24.34 25.18 40.60 81.98 130.65 242.09 402.85

								Staff	Recomme	nde	l Rates				
Pending Application - 12-months	Per	Decision	ACI	RM - Step 2	ACI	RM - Step 2	ACRM - Step 2	Per	Decision	AC	RM - Step 2	ACF	RM - Step 2	AC	RM - Step 2
	No	69396	9	On-going	12-	month O&M	12- month Total	No	69396		On-going	<u>12-n</u>	nonth O&M	12-	month Total
Minimum 5/8" Meter	\$	24.34	\$	2.02	\$	0.39	\$ 26.75	\$	24.34	\$	1.96	\$	0.39	\$	26.69
Minimum 3/4" Meter	\$	25.18	\$	2.09	\$	0.40	\$ 27.67	\$	25.18	\$	3.98	\$	0.40	\$	29.56
Minimum 1" Meter	\$	40.60	\$	3.37	\$	0.65	\$ 44.62	\$	40.60	\$	4.11	\$	0.65	\$	45.37
Minimum 1 1/2" Meter	\$	81.98	\$	6,80	\$	1.31	\$ 90.10	\$	81.98	\$	6.63	\$	1.31	\$	89.93
Minimum 2" Meter	S	130.65	\$	10.84	\$	2.09	\$ 143.59	\$	130.65	\$	13.40	\$	2.09	\$	146.14
Minimum 3" Meter	Ś	242.09	\$	20.09	\$	3.88	\$ 266.06	\$	242.09	\$	21.35	\$	3.88	\$	267.32
Minimum 4" Meter	S	402.85	S	33.43	\$	6.45	\$ 442.74	\$	402.85	\$	39.56	\$	6.45	\$	448.87
Minimum 6" Meter	\$	806.97	\$	66.97	\$	12.93	\$ 886.87	\$	806.97	\$	65.84	\$	12.93	\$	885.74
Commodity Rates, Per 1000 gallons ALL Gallons	\$	1.4534	\$	0.0625	\$	0.0121	\$ 1.5280	\$	1.4534	\$	0.0606	\$	0.0121	\$	1.5261

Company Proposed Rates Pending Application - On-going After 12 Months O&M Recovery		Decision 0, 69396	 RM - Step 2 On-gaing	 RM - Step 2 month Q&M	,	ACRM - Step 2 On-going	Per	Recommer Decision 69396	ACI		 	tM - Step 2 nonth Total
Minimum 5/8" Meter	\$	24.34	\$ 2.02	\$ -	\$	26.36	\$	24.34	\$	1.96	\$	26.30
Minimum 3/4" Meter	\$	25.18	\$ 2.09	\$ -	\$	27.27	\$	25.18	\$	3.98	\$	29.16
Minimum 1" Meter	\$	40.60	\$ 3.37	\$ -	\$	43.97	\$	40,60	\$	4.11	\$	44.71
Minimum 1 1/2" Meter	\$	81.98	\$ 6.80	\$ -	\$	88.78	\$	81.98	\$	6.63	\$	88.61
Minimum 2" Meter	\$	130.65	\$ 10.84	\$ _	\$	141.49	\$	130.65	\$	13.40	\$	144.05
Minimum 3" Meter	Š	242.09	\$ 20.09	\$ -	\$	262.18	\$	242.09	\$	21.35	\$	263.44
Minimum 4" Meter	Š	402.85	\$ 33.43	\$ -	\$	436.28	\$	402.85	\$	39.56	\$	442.41
Minimum 6" Meter	\$	806.97	\$ 66.97	\$ -	\$	873.94	\$	806.97	\$	65.84	\$	872.81
Commodity Rates, Per 1000 gallons ALL Gallons	\$	1.4534	\$ 0.0625	\$	\$	1.5159	\$	1.4534	\$	0.0606	\$	1.5140

Decision No.

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Arizona-American Water Company - Paradise Valley
Docket Nos. W-01303A-05-0405 & W-01303A-05-0910
ACRM Step Two OTHER: GENERAL & RESALE

ACRM Step Two			OTHE	K: GENER	ALOR	ESALE										
Decision No. 68858		Base	Pub	ic Safety		Bracket	Dec	ision No. 68858								
		Rates	Su	rcharge	Surg	harge		<u>Totai</u>								
Minimum 5/8" Meter	\$	9,50					\$	9.50								
Minimum 3/4" Meter	\$	9.83					\$	9.83								
Minimum 1" Meter	\$	15.85					\$	15.85								
Minimum 1 1/2" Meter	5	32.00					\$	32.00								
Minimum 2" Meter	\$	51,00					\$	51.00								
Minimum 3" Meter	Š	94,50					\$	94.50								
Minimum 4" Meter	\$	157,25					\$	157.25								
Minimum 6" Meter	S	315,00					\$	315.00								
Commodity Rates, Per 1000 gailons	•															
ALL	\$	1.46					\$	1.46								
Decision No. 69396	Per	r Decision	ACF	tM Step 1			Dec	ision No. 69396								
ACRM Step One Surcharge	N	o. 68858	<u>Su</u>	rcharge				<u>Total</u>								
Minimum 5/8" Meter	\$	9.50	\$	14.84			\$	24.34								
Minimum 3/4" Meter	5	9.83	5	15.35			\$	25.18								
Minimum 1" Meter	Š	15.85	Š	24.75			\$	40.60								
Minimum 1 1/2" Meter	\$	32.00		49.98			\$	81,98		*						
Minimum 2" Meter	\$	51.00		79.65			\$	130.65								
Minimum 3" Meter	Š	94.50		147.59			Š	242.09								
Minimum 4" Meter	\$	157.25		245.60			Š	402.85								
	s.	315.00		491.97			š	806.97								
Minimum 6" Meter	Ψ	313.00	Ψ	401.57			•	000.01								
Commodity Rates, Per 1000 gallons	s	1.46	•	0.4534			\$	1.9134								
ALL	J	1.40	Ψ	0.4304			•									
Pending Application - 12-months:									Staf	f Recommended						
Company Proposed Rates	Pe	r Decision	ACR	M - Step 2	ACRM	1 - Step 2	A	CRM - Step 2		Per Decision	ACF	RM - Step 2	ACRM	1 - Step 2	ACR	M - Step 2
Company ( represent the end	N	lo. 69396	0	n-going	<u>12-mo</u>	onth O&M	1	2- month Total		No. 69396	<u>C</u>	n-going	<u>12-mo</u>	onth O&M	<u>12- m</u>	onth Total
Minimum 5/8" Meter	s.	24.34	s	2.02	\$	0.39	\$	26.75	\$	24.34	\$	1.96	\$	0.39	\$	26.69
Minimum 3/4" Meter	Š	25.18		2.09	Š	0.40	\$	27.67	\$	25.18	\$	2.03	\$	0.40	\$	27.61
Minimum 1" Meter	Š	40.60		3.37	Š	0.65	\$	44.62	5	40.60	\$	3.27	\$	0.65	\$	44.52
Minimum 1 1/2" Meter	s.	81.98		6.80	Š	1.31	\$	90,10	\$	81.98	\$	6.60	\$	1.31	\$	89.89
Minimum 2" Meter	\$		Š	10.84		2.09		143,59	S	130.65	\$	10.52	\$	2.09	\$	143.26
Minimum 3" Meter	S	242.09	Š	20.09		3.88	Š	266.06	Š	242.09	\$	19.49	\$	3.88	\$	265.46
Minimum 4" Meter	Š	402.85	Š	33,43		6.45	-	442.74	Š	402.85		32.44	\$	6.45	\$	441.74
	5	806.97	-	66.97		12.93		886.87	Š	806.97		64.98	\$	12.93	\$	884.88
Minimum 6" Meter	Φ	000.31	Ψ	00.01	•	.2.50	•		•							
Commodity Rates, Per 1000 gallons	\$	1.9134	æ	0.0625	\$	0.0121	\$	1,9880	\$	1,9134	\$	0.0606	s	0.0121	\$	1.9861
ALL	Þ	1.5134	æ	0.0025	Ψ	5.0121	•	1,5550	•		•		•		-	
Company Proposed Rates	-			M - Sten 2	1001	A Cton 2		ACRM - Sten 2	Stat	ff Recommended Per Decision		s RM - Step 2	ACPI	J. Sten 2	ACR	M - Step 2
Bending Application Da.coing	P.	ar i lacieinn	A( '5	IM - SIAP 7	ALIK	n - SIED 7		いしれが - ひにじょ		r ci Decisioni	70	1111 - CICU &	- UO1/4		77011	Olop 2

Company Proposed Rates								Staf	f Recommended					
Pending Application - On-going	Per	Decision	AC	RM - Step 2	ACI	RM - Step 2	ACRM - Step 2		Per Decision	Αl	CRM - Step 2	ACRM - Step 2	ACR	VI - Step 2
After 12 Months O&M Recovery		69396		On-going		month O&M	On-going		No. 69396		On-going	12-month O&M	<u>12- m</u>	onth Total
Minimum 5/8" Meter	\$	24.34	\$	2.02	\$	-	\$ 26.36	\$	24.34	-	1.96		\$	26.30
Minimum 3/4" Meter	S	25.18	\$	2.09	\$	-	\$ 27.27	\$	25.18	\$	2.03		\$	27.21
Minimum 1" Meter	Š	40,60	\$	3.37	\$	-	\$ 43.97	\$	40.60	\$	3.27		\$	43.87
Minimum 1 1/2" Meter	\$	81.98	\$	6.80	\$	-	\$ 88.78	\$	81.98	\$	6.60		\$	88.58
Minimum 2" Meter	S	130.65	Š	10.84	\$		\$ 141.49	\$	130.65	\$	10.52		\$	141.17
Minimum 3" Meter	\$	242.09	s	20.09	\$	-	\$ 262.18	\$	242.09	\$	19,49		\$	261.58
Minimum 4" Meter	Š	402.85	-	33,43	-	•	\$ 436.28	\$	402.85	\$	32.44		\$	435.29
Minimum 6" Meter	\$	806.97	-	66.97		-	\$ 873.94	\$	806.97	\$	64.98		\$	871.95
Commodity Rates, Per 1000 gallons								_		_				4 0740
ALL	\$	1.9134	\$	0.0625	\$	-	\$ 1.9759	\$	1.9134	\$	0.0606		5	1.9740

Arizona-American Water Company	Paradise Valley Water District	Docket No. W-01303A-05-0405 et al.	12 Months Ending December, 2007	Arsenic Revenue Requirement, Step-Two
Arizona	Paradis	Docket	12 Mon	Arsenic

2		ဝိ	Co. Proposed [A]	Staff A	Staff Adjustment [B]		Staff Recommended [C]
உ							
oi							
	Arsenic Plant Revenue Requirement						
_	Gross Arsenic Plant in Service/Rate Base	↔	2,587,299	€	38,012	€	(1) \$2,549,287
	Accumulated Depreciation of Arsenic Plant (Step 1)		(636,636)	<del>63</del>	22,977	(2)	(659,613)
	Net Arenic Plant in Service/Rate Base	49	1,950,663	69	686'09		\$1,889,674
	Depreciation rate on incremental arsenic plant		3.08%	69	0		2.95%
	Depreciation expense		79,616	↔	4,538	ල	75,078
	Depreciation expense net of tax		48,885	₩	2,786	4	46,099
	Recoverable O&M costs - Ongoing		74,593	€>	. •	•	74,593
	Recoverable O&M costs - Ondoing net of tax1		45,801		•	4	45,801
	Areanic Operation Income	€9	(94,686)	es	(2,786)	•	\$ (91,900)
, <del>,</del>	Rate of return	•	-4.85%				-4.86%
۰ ،	Required Rate of Return <sup>2</sup>		7.24%			3	7.24%
٦ ٣	Required Operating Income		141.228	ь	4,416	,	136,812
٠ 4	Operating Income deficiency		235,914	69	7,202		228,712
· ur	Gross revenue conversion factor <sup>2</sup>		1.62863			(2)	1.62863
9	Revenue deficiency	↔	384,217	53	11,729		\$ 372,488

Explanation of Adjustments:

See engineering report. This represents O&M items charged to ACRM capital projects, in error.
 Adjustment to reflect 13.5 months of depreciation approved in ACRM Step 1, Decision No. 69396
 Staff Recalculated Expense on Schdule GWB-3
 38.5989 % tax rate per Decision No. 68858
 Decision No. 68858

# Schedule GWB-3

Arsenic Revenue Requirement, Step-Two Docket No. W-01303A-05-0405 et al. Arizona-American Water Company Paradise Valley Water District

: \#	Depreciation					39,632	1,438	2,771	28,666	1,223	0	43		129	53	1,123	75,078
	a C	Š	Ξ		•	₩	₩	↔	↔	↔	↔	↔	↔	↔	₩	₩	ક્ર
ACRM Step 2	Plant, per	<b>-</b>				1,981,604	43,179	63,125	406,039	38,830	0	893	•	3,567	541	11,509	2,549,287
ACF.	<b>D.</b> .	Staff	<u>5</u>			↔	↔	↔	↔	↔	↔	B	₩	₩	↔	₩	₩
o Plant	Removal					(747)			(2,0,7)					(2,854)		(27,332)	(38,012)
		į	Ω			↔			↔					<del>69</del>			€>
Staff Adjustments to Plant	Reclassificatior					368,440					(368,440)						,
Staf	Rec	i	<u>m</u>			₩					↔						€>
Annual	Deprec.	Expense				32,278	1,438	2,771	29,166	1,223	8,622	43	•	232	53	3,791	79,616
•		Ш)	₹			₩											<del>ss</del>
	Appvd.	Depr. Rate	₹			2.00%	3.33%	4.39%	7.06%	3.15%	2.34%	4.80%	4.04%	3.61%	9.76%	9.76%	
		Project				1,613,911	43,179	63,125	413,118	38,830	368,440	893	•	6,422	541	38,841	2,587,299
			₹			↔					49						49
		Ö.   	₹			50073241	50073242	50073244	50073250	50073251	50073252	50073255	50073256	50073258	50073260	50073261	•
Arsenic Plant Depreciation Rate Line	d	Description				304 - PV Arsenic Struct. & Imp.	310 - PV Arsenic Power Prod. Equip.	311 - PV Arsenic Pumping Equip	320 - PV Arsenic With Trimit Equip.	330 - PV Arsenic Dist. Res. & Sto.	0 331 - PV Arsenic T&D Mains	339 - PV Arsenic Other Plant & Misc.	2 340 - PV Arsenic Offc. Furn. & Equip.	3 343 - PV Arsenic Tools, Shop, & Gar.			•
Arsenic Line	<u>8</u>	_	7	က	4	2	· c	<b>,</b>	- 00	σ	· <del>~</del>	-	. ;;		14	15	7

Decisions:

O(B)

Rec

As filed by the Company, Depreciation Expense

Removals due to O&M included in ACRM Plant Addtionsl Per Decision No. 68858 Reclassification due to nature of work done in Step-Two

See also Engineering report for more discussion.

Company Proposed Plant, net of reclassifications and removals

Staff Depreciation Expense for ACRM Step-Two Plant, based on

 $\overline{\Omega}$ 

Staff's adjusted plant balance times depreciation rates in Decision No. 68858

	₹		Deferred	Total 11,301	15,924	6,777	787	<del>,</del>	37,296										
4	5		Ath	6.1	0.66	2.11		20.5	<del>\$</del>										
Schedule GWB-4	Ξ		Fixed Increment	Base Total	79,519	33,840	391	9. 4	186,244										
<b>σ</b>	[6]			fonthly Base 1.96	3.27	10.54	32.48	70.50	\$										
	<u> </u>		For invalent	·	3,376	1,437	17	8	7,908										
	囙		Minimin		- <del>-</del> - 6	. ro. c	16.6 6.6	23.5	1										
	<u>(</u>		Monthi		40.60	130.65	402.85	8.000		Commodity Surcharge 186,244			3,071,772	0.0606	Surcharge Surcharge			3,071,772	0.0121
	<u>0</u>	Gallons Sold <u>Per Cust.</u> 651.27 645.40 (6) -0.90%	Estimated	Customers 2,396 \$	2,024	268	3 – n	n	4,824	Minimum Surcharge \$ 186,244	94,893	\$ 1.96		∽∥	Minimum (Surcharge :	94,893	\$ 0.39		<b>~</b>
	[8]	Total (Gallons Sold 3,077,899 3,065,644 (12,255) -0.40%	Estimated Customers at	Dec. 2008 2,402	2,029	268	3 - 4	0	4,836	372,488		111			74,593		1231		
	₹	Customers 4,726 4,750 24 0.51%	Average	Dec. 2007 2,390	2,019	79 267	S ← 1	o	4,812	•					301 A Ln 8) 💲		-		
Arizona-American Water Company Paradise Valley Water District	Docket No. W-01303A-05-0405 et al. 12 Months Ending December, 2007 Surcharge Calculation	Line  No. Growth  1 Dec. 2006 (Year 1)  2 Dec. 2007 (Year 2)  3 Year 2 minus Year 1  4 Percentage Change  5 Avg Gallons (Col B Ln 1 + Col B Ln 2 + 2)		Meter Size 5/8-inch		14 1.3-inch 15 2-inch 2 2-inch		18 e-inch 19 20 21	22 Total	25. 26 Calculation of Base Step 2 Surcharge 27 Total costs to be recovered (Sch. 5 Col A Ln 16) 27 Monthly Minimum Revenue (Col B Ln 26 + 2) 28 Commodity Revenue (Col B Ln 26 + 2)	29 30 Monthly Increment Per Equivalent Meter 31 Equivalent Meters (Col F Ln 22 × 12 Months)	32 Minimum Surcharge (Ln 27 + Ln 31)	34 35 Average Gallons (Cot B Ln 5) 36	37 Commodity Surcharge (Ln 28 + Ln 35) 38	39 40 <u>Calculation of Deferred O&amp;M Surcharge</u> 41 Total deferred O&M costs to be recovered (Sch. 5 Col A Ln 42 Monthly Minimum Revenue (Col B Ln 41 + 2) 43 Commodity Revenue (Col B Ln 41 + 2)	45 <u>Monthly Increment Per Equivalent Meter</u> 46 Equivalent Meters (Col F Ln 22 × 12 Months)	4/8 Minimum Surcharge (Ln 42 + Ln 46)	49 50 Average Gallons (Col B Ln 5) 51	52 Commodity Surcharge (Ln 43 + Ln 50)
∢	u ← α	<b>1</b> 41		•							D:-	٠	NT.			, ,	-	-	

Arizona-American Water Co., Inc. Docket # W-01303A-05-00405 Docket # W-01303A-05-0910 Page 1

#### MEMORANDUM

DATE

August 18, 2008

TO:

Gerald Becker

Public Utility Analyst V

FROM:

Dorothy Hains, P. E.

DX

Utilities Engineer

RE:

ACRM Step Two Application for Arizona American Water Company,

Inc. - Paradise Valley District

Docket No. W-01303A-05-0405 & Docket No. W-01303A-05-0910

#### Background

In Decision No. 68858 (issued on July 26, 2006) the Arizona Corporation Commission ("ACC" or "Commission") approved an Arsenic Cost Recovery Mechanism ("ACRM") for Arizona-American Water Company - Paradise Valley District ("Company or "PV"). In Decision No. 69396 (issued on March 22, 2007), the Commission approved the ACRM Step I surcharge tariff for PV. On March 13, 2008, the Company filed for the ACRM Step II surcharge tariff application for PV.

ACC Staff ("Staff") performed an inspection of the PV system on August 14, 2008. Staff observed that additional plant improvements had been installed since its previous inspections on March 12, 2007 and January 18, 2007. During the period of March 2007 to August 2008 the Company completed construction of 1) a stone block fence with security gates at the PV arsenic treatment plant, 2) an on-site storm water drainage system, 3) sound barriers in the blower building, 4) sound barriers in a building which houses the pump station and, 5) sound barriers in a building which houses the sludge press.

Staff concludes that all capital improvements associated with the ACRM Step II surcharge have been completed and were in-service at the time of Staff's inspection.

#### **Cost Analysis**

In the application the Company reported a total construction cost of \$2,587,299 for purposes of establishing the Step II surcharge amount. Staff recommends two adjustments to the Company's total construction cost. The first adjustment is to remove \$38,012 from four accounts as presented in the table below because this construction is not related to construction of the subject arsenic treatment plant. The second adjustment is to reclassify \$368,440 from Transmission and Mains (Account No. 331) to Structure

Decision No.
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Arizona-American Water Co., Inc. Docket # W-01303A-05-00405 Docket # W-01303A-05-0910

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Improvements (Account No. 304). The Company has indicated to Staff that it is in full agreement with these adjustments. Presented in the following table are itemized plant descriptions, costs and Staff's recommended adjustments and total construction cost.

Acct	Description	Co.'s	Co.'s	Co.'s Total	Staff	Staff	Staff's
#	·	Original	Allocated	Step II Cost (\$)	Recommended	Adjustm	Recomme
		Filing	engineer &		Reclassifation <sup>2</sup>	ent (\$)	nded
		Total Cost	design cost				Total
		(\$)	(\$) <sup>1</sup>				Cost (\$)
	Engineer & design	(5,216,549)					
304	Structure & Improvement	4,867,902	(3,996,845)	1,613,911	368,440	(747)	1,981,605
310	Power Producing Equipment	130,236	(87,058)	43,179			43,179
311	Pumping Equipment	190,399	(127,274)	63,125			63,125
320	Water Treatment Equipment	1,246,051	(832,933)	413,118		$(7,079)^2$	406,039
330	Reservoir & Standpipe	117,118	(78,289)	38,830		ļ	38,830
331	Transmissions & Mains	1,111,295	(742,855)	368,440	(368,440)		
339	Other Plant & Equipment	2,694	(1,801)	893			893
340	Office furniture & equipment	0					
343	Tools, Shop & Garage	19,369	(12,947)	6,422		$(2,855)^3$	3,567
344	Laboratory Equipment	1,633	(1,091)	541			541
346	Communication Equipment	117,152	(78,311)	38,841		$(27,333)^4$	11,508
[	Total	2,587,299	(5,216,549)	2,587,299	0	(38,012)	2,549,287

- Notes: 1. \$747 was paid for installation of sensors to restroom doors in the office building.
  - 2. \$7,079 was paid to M P Environmental Service for hauling wastewater to City Scottsdale Wastewater Treatment Plant and other wastewater disposal sites.
  - 3. \$ 2,206 was paid to UFirst Laundry Services for uniform rental, and \$649 was paid to Cabela's Retail for a gun safety container.
  - 4. \$26,727 was paid to Emerson Process Management for its work on Well #11, Well #12 and Miller Rd TCE Treatment Plant. \$606 was a monthly bill paid to Qwest for July 2006 service.

#### Summary

#### Recommendations

Staff recommends that \$2,549,287 be used as the total capital cost in calculating 1. the appropriate ACRM Step II surcharge amount.

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<sup>&</sup>lt;sup>1</sup> Plant allocation factors were provided by the Company.

<sup>&</sup>lt;sup>2</sup> \$368,440 in the Transmission and Mains (Account 331) were reclassified to Structure Improvements (Account 304).